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Thorn Urges U.S., Europe To Trade Key Concessions



Gaston Thorn

By Joseph Fitchett
International Herald Tribune
BRUSSELS — A key official of the European Economic Community said today that Western European governments would move toward a "broad trade" if the Reagan administration modified its posture against intervening in currency markets to stabilize the dollar's value.

Gaston Thorn, the leader of the EEC Commission, outlined in an interview this potentially important trade-off, which may be launched at the Versailles economic summit meeting opening on Friday. Several U.S. diplomats in Europe confirmed that these two issues were at the heart of last-minute summit preparations, with signs of some movement.

"It's a tough trade-off of apples and oranges, which does not involve the same bureaucrats in the administration," a diplomat said, adding, "But if the Europeans might agree to an ongoing monetary review by the International Monetary Fund and the seven summit governments."

The inclusion of governments could be read by European leaders as a mechanism for monetary consultation among the main industrial countries, Mr. Thorn and other European leaders contend that this could affect market psychology, damping speculation without requiring regular U.S. intervention to artificially control the dollar.

The Reagan administration officially ended intervention in currency markets in mid-1981.

"All Europeans are ready to recognize the principle that we ought to harmonize our approaches to



President Reagan and his wife, Nancy, waved from the steps of their helicopter Wednesday as they left the White House. Their plane from Washington arrived in Paris late Wednesday night.

economic cooperation, helping overcome what he called damaging ideological differences in economics during the last year between the Reagan administration and key European governments, notably France.

But he made clear his sentiment that the Reagan administration needs to take more account of European grievances and that the Versailles summit meeting should differ from its predecessor last year at Ottawa in laying groundwork for sustained follow-up consultations.

Regular Contacts
Concretely, Mr. Thorn appeared to attach considerable importance to a reported plan for Versailles summit participants to institute regular contacts among their top economic advisers.

He suggested that the monetary consultations, over time, might promote a system of currency zones — the dollar, the European Monetary System and the yen — that would buffer European currencies. He added that this might help revalue the yen, thus easing Japanese competitive pressure.

Some U.S. help along these lines, he said, would foster European movement on a major Reagan administration preoccupation: European facilities for Soviet industrial purchases. State Department counselor James L. Buckley just visited Western Europe, urging governments to toughen their Soviet trade terms.

Mr. Buckley reported to Washington that Western Europe cannot adopt a uniform policy on East-bloc exports because each country's commercial system and government role is different, U.S.

British Shelling Argentine Line Around Stanley

From Agency Dispatches
LONDON — British artillery pounded Argentine positions Wednesday near Stanley, the encircled capital of the Falkland Islands.

Meanwhile, the latest UN attempt to arrange a cease-fire failed. Secretary-General Javier Pérez de Cuellar told the Security Council it was his "considered judgment that the positions of the two parties do not offer the possibility of developing at this time terms for a cease-fire that would be mutually acceptable."

Maj. Gen. Jeremy Moore, commander of British land forces in the Falklands, said in an interview with the British Broadcasting Corp. "We have got very close in and we are beginning to apply pressure to the main enemy positions throughout Stanley. Today we have been shelling the Moody Brook camp."

Moody Brook is three miles (five kilometers) from Stanley and one of the advance bases in the Argentine defensive perimeter.

In Buenos Aires, military sources said the British forces were slowly closing in on Stanley and might be preparing for an all-out assault.

The Argentine sources, quoted by the independent news agency Noticias Argentinas, said British troops were advancing toward a belt of mine fields surrounding the Argentine lines.

A military spokesman said that the encircled garrison in Stanley was continuing to receive supplies by air, something that British sources have said has become virtually impossible.

The Argentine force of up to 7,000 men includes 2,000 highly-trained navy marines, the spokesman said.

British forces, meanwhile, have been pushing forward with helicopter, tanks and infantry troops through rugged terrain onto hilltop positions overlooking the Stanley area.

But senior British defense sources said it would take "a few days" to get men and material in position for a final assault on Stanley. About 3,500 British troops were believed to have landed recently north of the capital.

Situation Called Tense
Argentina's defense minister, Amadeo Frugoli, said Wednesday that the military situation in the South Atlantic was tense, but he praised the Argentine forces' preparedness.

"We are in good operating condition and in good moral and spiritual condition," he said. "We are 10 miles away and can see the roof of one of the landmark buildings, the pavilion of the Port Stanley Social and Shooting Club."

The advancing paratroopers have met "occasional opposition," Mr. Dowd said. He quoted an officer as saying the Argentines "have a classic defensive position, a horseshoe around Port Stanley. It could be a very bloody battle indeed if they decide to slug it out."

Argentina's ruling junta, meanwhile, dispatched a military delegation to UN headquarters in New York with some suggestions for the Argentine ambassador. But Foreign Minister Nicanor Costa Méndez, speaking in Buenos Aires, said the delegates "aren't carrying any new proposals."

Brig. José Miret, leader of the Argentine delegation, said his group was empowered to respond "almost immediately" to any proposal.

Reagan Hopes to Win European Support on Economy, Arms Control

By Hedrick Smith
New York Times Service
WASHINGTON — Based on recession-sapping opinion polls and a budget deadline in Congress, President Reagan embarked Wednesday on his most extensive venture in diplomacy. It is aimed at winning public support in Europe, a tougher Western credit stance toward the Soviet Union, and more patience with his economic policies.

Mr. Reagan arrived in Paris late Wednesday evening. The Associated Press reported. Before leaving Washington, he said, "There has been nearly a decade of troubling events and uncertainty among the allies and ourselves, but today there is a regrowth of unity and purpose, and I hope that this trip will contribute to that."

On the eve of his departure, Mr. Reagan told four West European television correspondents that on credits to Moscow he would propose "not some return to the Cold War as such, but a temporary period of restraint while we show them what we have to offer if they will give up their expansionist policies and their obvious militarism."

"I believe that now is a time not to continue subsidizing them with cheap credits," Mr. Reagan said. Other officials said that while progress had been made on a common Western credit policy toward Moscow, there was still no final agreement.

The White House, braced for anti-Reagan demonstrations, has arranged for tight security on the 71-year-old president's hectic 10-day journey to France, Italy, Britain and West Germany, but officials foresee significant potential gains for Mr. Reagan's "public diplomacy." Secretary of State Alexander Haig Jr. asserted that in laying the groundwork for his trip recently, the president "has put to rest a number of understandable concerns in Europe and Japan" about his nuclear policy.

Politically, Mr. Reagan will be on the offensive. With his new arms proposals and the promised start of strategic arms reduction talks on June 29, the president has postured himself as a man of peace — a theme he re-emphasized in his television interview Tuesday night.

The president's objective, Mr. Haig said, will be to show an alliance united behind American leadership despite concern over superior Soviet conventional forces in Europe, Western differences over trade and the European gas pipeline deal with Moscow, and frustration over the continuing martial-law repression in Poland.

But economically, the president will be on the defensive. Treasury Secretary Donald T. Regan admitted to reporters Tuesday.

At the seven-nation economic summit starting Friday in Versailles, the secretary said, West European leaders will be complaining about the impact of high American interest rates and huge U.S. budget deficits on their economies, while the president will be asking for

SUMMARY Trade Policy

Axel Krause reports that the Reagan administration will firmly press its allies at the Versailles summit meeting to make tangible progress on what it regards as a key ingredient of the West's economic recovery — trade liberalization. Page 8.

Why Versailles?

Mary Blume says that the Chateau de Versailles was chosen over 18 other sites in France for the summit. Why? Versailles reflects France's preferred image of itself, a French spokesman said, and on the practical side it is easy to close off for security, it is close to Paris and it cost less than the other places that were suggested. Page 8.

INSIDE

■ Twenty years have passed since Rachel Carson's "Silent Spring" first warned against the environmental and health damage caused by chemical pesticides. In the years since, her book has often been cited as perhaps the most influential single factor in creating public concern about the future of the world's ecology. Nevertheless, many now believe that her book has on balance had only limited influence in the area of its chief concern — pesticides. Insights, Page 8.

■ The Reagan administration said that it had begun talks with China on the possibility of an agreement on nuclear cooperation that would enable American companies to help develop China's future nuclear power industry. Mr. Reagan also reaffirmed a policy of "substantial liberalization" in the export of technology to China. Page 5.

■ An Iraqi plane flew over Tehran and Qum as a warning against Iranian shelling of Iraq cities and vital installations, the Iraqi news agency reported. In Havana, Iran's foreign minister said his country is prepared to extend the fighting into Iraq if Baghdad forces continue shelling Iran. Page 3.

■ A supplement on travel and tourism in the Philippines appears on Pages 9S-11S.

Turmoil and Uncertainty Grow in Argentina

Political Conflict Seen as Battle Losses Shake Leadership
By Jackson Diehl
Washington Post Service
BUENOS AIRES — With its celebrated "recovery" of the Falkland Islands reduced to a grim final stand by an increasingly desperate army garrison, Argentina has begun to spin into an unpredictable course of nationalist, rearmament and potentially far-reaching political turmoil.

The military government of Gen. Leopoldo Galtieri, facing what is increasingly perceived here as imminent defeat by Britain's South Atlantic task force, is clearly fighting for its own survival. As British forces close on Argentine troops entrenched around Stanley, the military command has amassed what remains of its weaponry and its air force in the hope that a single, all-out battle will finally halt the offensive.

But the junta's real struggle is an internal one. In Buenos Aires, the people are being told that Argentina has already won its war, regardless of what may happen in the coming days. Gen. Galtieri has been meeting with civilian, business and labor leaders, promising drastic reversals of economic and social policy in an effort to gain support.

Sounds of Collapse
And on television, the military spokesmen are seeking to drown out the sounds of a collapsing national dream with vivid accounts of spectacular, and possibly phantasmic, Argentine victories: an aircraft carrier in flames; a battleship's worth of British marines killed; entire squadrons of aircraft destroyed.

It is no longer clear whether these reports are believed, and many people, in any case, think they will not be enough. "A defeat with honor is still a defeat," said one political analyst.

The sense of crisis has gathered quickly. A little more than two weeks ago, with the British fleet seemingly stalled around the islands and negotiations under way at the United Nations, Buenos Aires exuded optimism.

The ruling junta, deeply proud of its record in Argentina's first modern war, seemed convinced that the momentum in the conflict had finally swung its way. There were reports of concessions by British negotiators, and heavy

Thatcher Says Argentina Has But a Few Days To Withdraw Before Decisive Stanley Battle

By Leonard Downie Jr.
Washington Post Service
LONDON — Prime Minister Margaret Thatcher said Wednesday that Argentina has only a few more days to withdraw its troops from the Falkland Islands before the decisive and most bloody battle of the war begins around the capital of Stanley.

Again refusing to agree to a cease-fire or any pause in the British advance across the islands during further negotiations, Mrs. Thatcher said, "They still can always withdraw, in accordance with UN Resolution 502."

Resolution 502, passed on April 3, calls for immediate Argentine withdrawal from the Falklands.

"No one would be more pleased than I should be," Mrs. Thatcher said in an interview with The Washington Post, "if either President Galtieri or the commander of their local garrison should say, 'This is absurd that we should sacrifice our young people in this way and we will not fight further.'"

"They must have a lot of fine young men there. I know we have," Mrs. Thatcher said in what amounted to her final ultimatum to the Argentine government to avoid further bloodshed.

"You know what happened at Goose Green and Darwin," she added. "There was a battle in the early stages and then they suggested there should be a surrender."

Withdrawal 'Unlikely'
But Mrs. Thatcher said she continued to doubt that Gen. Leopoldo Galtieri's government would agree to withdraw even now without attaching strings unacceptable to her.

"I've always thought it would be unlikely that a dictator would withdraw, although after both sides have suffered it is just remotely possible," she said.

"But so far, I've seen no sign of it. So far, when they've talked about it only in the sense that they want to keep some of the fruits of their occupation. And that, of course, is not acceptable to me."

"It's too easy a play for the invader who is in occupation of the greater parts of the Falklands to say, 'A. Right, a cease-fire, when that still leaves them in occupation of our people.'"

Asked if she thought Britons would accept a considerable increase in casualties in the battle for Stanley, Mrs. Thatcher said they "know that to defend liberty and justice, previous generations have lost their lives."

She added, "They are prepared to see that liberty and justice is defended now, and know that it may mean more loss of life. We hope to minimize that loss of life."

After Britain repossesses all of the Falklands, Mrs. Thatcher said, she intends to "rebuild and rehabilitate and develop" the islands and increase their population with new settlers. "I'm not talking about Argentinians," she said, but others who might be attracted by development of the Falklands' offshore oil and fishing resources.

"It is then my earnest desire that the Falkland Islanders, who are British, have the right to self-determination just as in the early days of history we helped many South American countries to be liberated and come to self-determination," Mrs. Thatcher said.

Eventual Independence
She added that this likely would mean eventual independence for a more populous and better developed Falklands, whose low-income, sheep-farming economy is currently dominated by a British colonial company.

Emphasizing that Britain has given "self-determination and independence" to about 40 former colonies — what she called "quite a large slice of the United Nations" — Mrs. Thatcher said, "I would like to do that for the Falklands."

But she added that "other people would have to respect that independence," which would require that the security of the Falklands "be guaranteed by a number of countries, of whom I hope the United States will be one."

Mrs. Thatcher said she thought President Reagan would help after Britain agreed to participate in the U.S.-led peacekeeping force that supervised the withdrawal of Israeli troops from the Sinai. She also hoped that at least one South American country, which she would not name, would participate.

Any future deal with Argentina about sovereignty over the Falklands was virtually ruled out by Mrs. Thatcher. She said the Falkland Islanders "will naturally be



Margaret Thatcher

Polish Situation Is Called a 'Crisis' By Brezhnev and Husak at Meeting

The Associated Press
MOSCOW — President Leonid Brezhnev and the Czechoslovak leader, Gustav Husak, were reported Wednesday by Tass to have characterized the current situation in Poland as a crisis.

According to Tass, Mr. Brezhnev and Mr. Husak, at a meeting

However, he said he did not know whether the statement "necessarily represents a shift" in Soviet thinking about Poland.

The remarks constituted the first clear statement of support for the Warsaw leadership's policies since street demonstrations in Polish cities last month against martial law.

Since the imposition of martial law Dec. 13, the Soviet press has repeatedly said the situation in Poland is "normalizing," despite what it has described as the efforts of Western intelligence agencies to undermine the authority of the Communist Party.

The Kremlin is nonetheless thought to be deeply disturbed by last month's outbreak of street demonstrations in Poland and subsequent threats of new strikes there.

At the time, the Soviet media indicated grave concern over the protests and quoted factory workers as saying they feared "a return to the days of anarchy" — a reference to the reform period from August, 1980, until the army's crackdown last December.

Another sign of concern was the unexpected visit to Warsaw last month by Konstantin V. Ruskov, the Soviet official who oversees Moscow's relations with its Warsaw Pact allies.

An article in Pravda on May 16, the day Mr. Ruskov left for War-

more hostile to Argentina now, very much more hostile."

Instead, she stressed, for the first time publicly, the option of giving the Falklands independence after a long period of restored British colonial rule.

She said she has already asked a British expert on the Falklands, Lord Shackleton, to update his 1976 government plan for improving the island's airport and roads and developing its mineral resources.

"I believe there is quite a potential for development," Mrs. Thatcher said, although the Shackleton plan had been shelved for years until now. "The thing that has been holding it up, of course, has been the quarrel with Argentina."

She said she believed Britain would get more people there with the development.

President Reagan, in his recent statements on the Falklands crisis, has been "absolutely marvelous on the supreme things, that aggression must not be seen to pay," Mrs. Thatcher said.

"If it does, there are 50 to 100 other territories that would be in danger, and I think those of us who lived through our generation and his know that," she said.

"When it comes to defending liberty and justice, we are the staunchest and most reliable ally in the world over, together with the United States," she added.

Pope Ends U.K. Visit In Wales, Pleads for Unity and World Peace

From Agency Dispatches

CARDIFF, Wales — Pope John Paul II Wednesday ended the first visit by a pope to Britain with calls for peace among the world's nations and unity among its Christians.

"I came here as a herald of peace to proclaim a gospel of peace and a message of reconciliation and love," he said on his departure from Cardiff's Rhosce Airport.

The pope gave thanks for the "brotherly welcome" he received in predominantly Protestant Britain and expressed "once more my good wishes to all the people of Britain and, in particular, to Her Majesty the Queen, especially on this, the anniversary of her coronation." This year is the 30th anniversary of Queen Elizabeth II's accession to the crown.

With a farewell in the ancient Celtic language of the Welsh — "Benedith Ddu amoch" — the pontiff boarded his Airitalia jet for the return trip to Rome.

Seen by 100,000

During the trip, the pope attended a service at Canterbury Cathedral to symbolize a desire to heal the schism between Rome and the Anglican Church more than 400 years ago. In six days, more than 1.5 million persons have seen the pope in open Masses and meetings in London, Coventry, Liverpool, Manchester, York, Edinburgh, Glasgow and Cardiff.

A principal theme of his preaching in the cities he visited was peace, because of the fighting between British and Argentine forces in the Falkland Islands.

Earlier Wednesday, John Paul, celebrating Mass for 100,000 people in Cardiff's Pontcanna Fields, departed from his prepared text to repeat the plea for peace in the Falklands he made on arrival in Britain Friday. He also included a reference to the Iran-Iraq war.

"Let us remember those who have died in conflict throughout the world," he said, "in the conflict

in the South Atlantic, in the conflict between Iran and Iraq, in every place where human blood is shed.

"I have come to this land as a pilgrim pastor, a servant of Jesus Christ. As long as the memory of this visit lasts, may it be recorded that I, John Paul II, came to Britain to call you to Christ, to invite you to pray."

No Political Visits

The pope's visit has been strictly pastoral. Meetings with political leaders were canceled as a condition of his coming here during the Falklands conflict. Later this month, he will make a two-day visit to Argentina, designed to counterbalance his trip to Britain in the midst of the conflict.

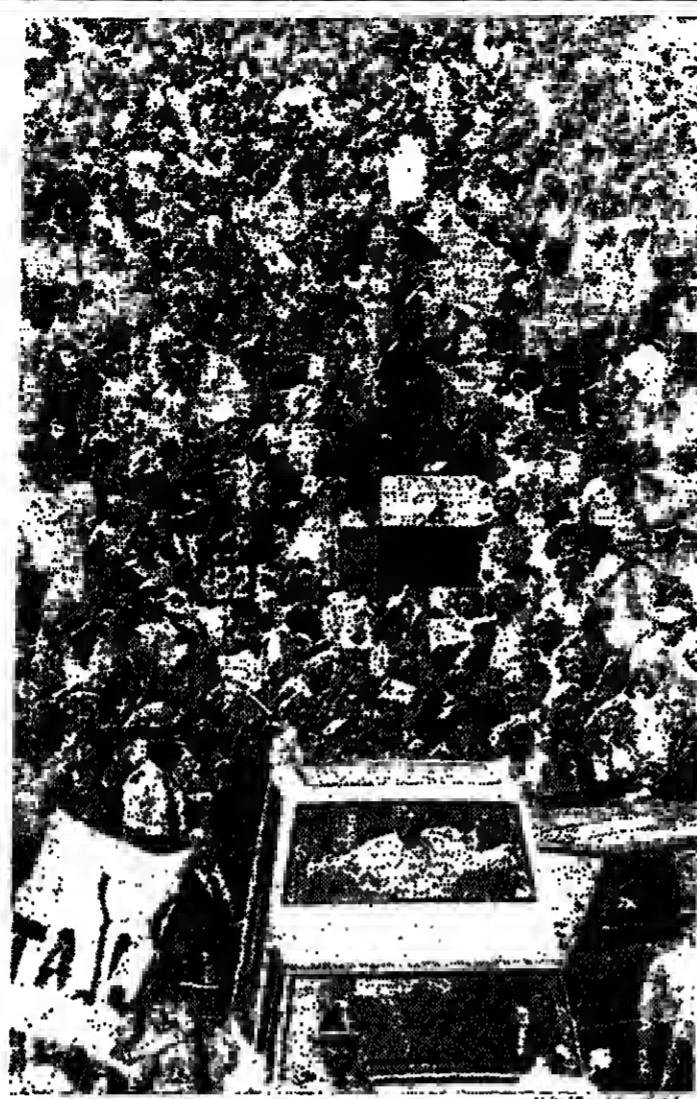
One prayer read by schoolteacher Brian Jones during the Mass in Cardiff gave praise for the "great joy" brought by the pope and expressed the hope that "this same blessing may very soon be brought to our brothers and sisters in Jesus Christ who live in Argentina." The prayer was followed by prolonged applause.

On his arrival here, the pope drove through cheering, flag-waving crowds to medieval Cardiff Castle, where he was made a Freeman of the port city, only the fifth person to receive this honor. Unlike previous recipients — all British subjects — he was not made to swear allegiance to Queen Elizabeth II, temporal head of the Church of England.

John Paul also had a last meeting with officials of the Roman Catholic Church, praying with them for unity of the Christian faith.

In London, Robert Runcie, the archbishop of Canterbury, praised the pontiff's tour.

"He has come to Britain with the grace of a pilgrim and a prophet. He has spoken convincingly of the things of God, but has adapted himself to people and occasions with the sensitivity of a gifted pastor."



Pope John Paul II, surrounded by crowds in Cardiff, Wales.

Reagan Will Seek Support On Economy, Arms Control

(Continued from Page 1)

Reagan and other leaders such as Chancellor Helmut Schmidt of West Germany, Prime Minister Margaret Thatcher of Britain and Mr. Mitterrand, more politically vulnerable than last year.

Nonetheless, Reagan political strategists see a chance for the president to boost his political stock at home with a 10-day Euro-

pean trip that will fit a quick visit to Pope John Paul II in Rome and two days of pomp and ceremony in Britain between a three-day economic summit in Versailles and a two-day NATO summit in Bonn, capped by a visit to Berlin.

"If Congress had given him a budget, the president would have a few more poker chips to play at these meetings in Europe," said a senior Reagan political strategist. "But I think the trip will be a political triumph. The economic summit will be the toughest on him because the focus will be on high interest rates. But the other events could provide a cushion."

Moreover, the administration has prepared several important initiatives designed to defuse European unhappiness with Reaganomics and sharpen Mr. Reagan's image as a man of peace dedicated to East-West negotiations on arms control.

At the North Atlantic Treaty Organization meeting in Bonn, Mr. Reagan will put forward a new U.S. proposal that the forces of both East and West be reduced to 700,000 troops in one stage, rather than in two stages as is presently proposed in force reduction talks.

In a speech to the British Parliament, Mr. Reagan will unveil plans for a quasi-governmental program to promote democracy in developing countries and, whenever possible, in Communist nations, through open financing of political parties, labor unions and newspapers.

At Versailles, he is prepared to put forward a suggestion for having the advanced industrial nations seek to coordinate their economic policies more closely through broadened supervision by the International Monetary Fund.

Mr. Reagan is also expected to back a combined effort to seek future ministerial negotiations on rules affecting international investment and trade in the service industry.

But even these initiatives, and even the expected debate over the president's pressure for tighter credit restraints on Moscow and a push for greater efforts to build up Western conventional forces in Europe, are not expected to deflect primary attention away from concern with the sluggish performance of Western economies and especially the drag effect the American recession and high interest rates.

Bombs Damage U.S.-Owned Cars, Offices in Athens

The Associated Press

ATHENS — Four bombs damaged two offices belonging to the U.S. Honeywell Corp. and two cars belonging to officials of the U.S. Embassy commercial mission, but caused no casualties, police said.

A Bulgarian-owned car also was damaged in another explosion Tuesday, they said. The U.S.-owned cars were parked in a residential district.

Nobody claimed responsibility, but police said it was suspected the explosions were connected with a planned visit to Greece by the NATO chief of staff, U.S. Gen. Bernard W. Rogers on Thursday.

The blasts at the Honeywell offices smashed windows and damaged fittings but an employee said, "We are open as usual."

Pentagon Document Stresses Priority of Defending Gulf's Oil

By George C. Wilson

Washington Post Service

WASHINGTON — Protecting oil from the Gulf ranks right after defending North America and North Atlantic Treaty Organization countries on the Reagan administration's list of military priorities, according to the final draft of a Pentagon guidance document written for the armed services.

The guidance fleshes out a statement made in a recent policy speech by President Reagan's national security adviser, William P. Clark, who said "we must establish priorities for sequential operations" in a global war since the United States could not "successfully engage Soviet forces simultaneously on all fronts."

Rather than try to build a fight-them-everywhere military machine, Mr. Clark said, "the president has established priorities." He did not spell them out, but the guidance to the armed services for the five-year period 1984 through 1988 goes a long way toward doing so.

"Because our forces for the mid-term are insufficient to achieve all military objectives simultaneously," states the draft written by a number of Pentagon officials for Defense Secretary Caspar W. Weinberger, the strategy for containing the Russians in a war "has an inherent degree of risk and will require difficult choices involving sequential operations."

"While recognizing that the political and military situation at the time of war will bear heavily on strategic decisions," continues the guidance, "the following priorities are provided for general planning in the event of a worldwide war with the Soviet Union:

Defense of North America — including Hawaii, Alaska and the contiguous Caribbean Basin — followed by the NATO areas and the LOCs (lines of communication) leading thereto will have the highest priority.

The next priority for general planning will give emphasis to ensuring access to the oil in Southwest Asia, followed by defense of U.S. Pacific allies and the LOCs for the Indian and Pacific oceans and the defense of other friendly nations in Latin America and Africa.

"U.S. actions in other parts of the world will be designed to protect essential U.S. interests, take advantage of Soviet vulnerabilities and divert attention and forces from Europe and Southwest Asia. U.S. counteroffensive moves may well take place in these other parts of the world early on to take advantage of exposed enemy positions."

The ranking of priorities in the Pentagon paper, termed the "first complete defense guidance of this administration," fits comfortably with past administrations, both Democratic and Republican. Part of the reason is that much of what ends up as guidance under the name of the defense secretary

is written by Pentagon careerists.

The fiscal 1984-88 guidance calls for stretching forces between NATO and the Gulf, arguing that the two are connected strategically. In this connection, the guidance directs that forces should be provided "that can be used both in the direct defense of NATO and in the defense of allied interests in Southwest Asia."

Specifically, the guidance states, improving "reconnaissance, surveillance and airborne warning and control and fighter defense for the southwest coast of NATO would in themselves have a direct application to defense of the upper Gulf and so would increase the deterrent."

Besides looking for ways to stretch existing forces to cover more than one region, the guidance sees potential gain in causing Soviet commanders to question whether they could count on Eastern European armies in a war against the West.

It states, "We must develop more effective linkages with the people of East Europe so as to deny Soviet confidence in the reliability of her allies."

Russians Appear To Use Conflict To Get Grain Bargain

Washington Post Service

WASHINGTON — Despite U.S. fears that the Falkland Islands crisis could push Argentina closer to the Soviet Union, Soviet grain buyers apparently are trying to use the situation to obtain Argentine corn at bargain prices.

The Soviet grain-trading agency has not signed any new contracts to buy Argentine corn since March 22 and so far has committed itself to buy less than half of this year's Argentine grain surplus, far less than last year, according to official and private sources.

As a result, the sources say, the price of Argentine grain in world markets in Geneva and Rotterdam has been falling fast. Traders were offering it this week at \$8 to \$12 a ton below the price of U.S. corn, currently about \$120 a ton.

"This is a Russian maneuver," a U.S. official said last week. "They want to make the Argentines sweat a little bit and get the U.S. grain traders all lathered up about selling more to the Russians. But when the price gets low enough, you will see the Russians going back to the Argentines for more."

Millions of tons of corn and sorghum are now moving off Argentine farms to the ports of Rosario and Buenos Aires, where storage capacity is limited. But the conflict in the South Atlantic and a consequent cancellation of war-risk insurance coverage for merchant vessels by Lloyd's of London have discouraged many potential customers.

British Shell Argentine Line As Fighting Nears Stanley

(Continued from Page 1)

posals by Mr. Pérez de Cuéllar. But he told reporters in Buenos Aires, "We have coded and are coding everything that is prudent to achieve an honorable peace."

Britain's UN ambassador, Sir Anthony Parsons, said after a meeting with Mr. Pérez de Cuéllar, "What we were seeking and have sought all along is Argentine withdrawal."

Panama continued to press the Security Council to call for a cease-fire, even in the face of a probable British veto. Council members said, however, that it was uncertain whether such a resolution would come to a vote.

Wednesday's report by the secretary-general marked his second unsuccessful effort to end the fighting.

Later in Brasilia, where Mr. Costa Mendez stopped en route to a Havana meeting of ministers from nonaligned nations, he said that he still believed there was a faint hope of a negotiated settlement to the Falklands dispute.

"I believe that there is still a very faint hope of convincing Mrs. Thatcher," he said.

He denied reports that Argentina had sought military assistance from the Soviet Union.

The BBC quoted military sources as saying that four British ships damaged by Argentine attacks had left the task force and headed for home for major repairs.

Reports said they were believed to include the destroyer Glasgow, which was hit by an Argentine bomb that did not explode, and the frigate Argonaut, hit during the British troop landing at Port San Carlos.

Defense Ministry sources in London also said that Argentine planes had attacked a British tanker ship "well north of the exclusion

zone," which extends 200 miles around the Falklands, but they said the ship was not damaged. They did not identify it.

The Defense Ministry said two Harrier jets had been lost to Argentine fire in the "last few days," although their pilots were rescued. It also said an unspecified number of extra Harriers had arrived in the war zone.

The ministry also reported what appeared to have been a major accident involving Argentine prisoners of war at Goose Green, the airstrip 50 miles west of Stanley that was captured Friday.

An official British statement said only that there had been "an accident involving explosives" Tuesday, causing casualties among both Argentine prisoners and British troops.

A BBC correspondent said three or four Argentines were killed by a booby trap allegedly left by Argentines in an ammunition pile. There also were reports the British had ordered Argentine prisoners to clean mine fields.

Michael Nicholson, a correspondent for the Independent Television Network, reported that Argentine planes twice tried to bomb British troops with napalm during the battle for Goose Green.

In Buenos Aires, a military spokesman said the British reports about napalm were "totally false."

Cuba Supports Argentina

HAVANA (AP) — Cuba offered its full support Wednesday to Argentina in the Falklands crisis and said the U.S. decision to back Britain in the conflict will bring an end to Latin American cooperation and friendship with the United States.

Speaking at a meeting of the non-aligned coordinating bureau, Foreign Minister Isidoro Malmierca attacked U.S. policies on a broad range of issues, prompting the head of the U.S. diplomatic mission in Havana, Wayne Smith, to walk out.

Mr. Malmierca said the "supposed U.S.-Latin American alliance under the Monroe Doctrine and the inter-American system is now dead, awaiting only a funeral oration."

He said the South Atlantic crisis was the product of "Anglo-U.S. aggression."

Cuba, during two days of preparatory meetings, has circulated a draft resolution condemning Britain for "colonialist aggression" against Argentina and denouncing the United States for backing the British.

WORLD BRIEFS

Result of Afghan Battle Disputed

ISLAMABAD, Pakistan — One of the fiercest battles fought since Soviet troops intervened in Afghanistan in December, 1979, has ended, but reports from diplomats disagreed whether a Soviet-Afghan force or Moslem rebels had triumphed.

Rebel spokesman in Pakistan said during the weekend that they had stopped a combined offensive by Soviet troops and Afghan government forces in the strategic Panjshir Valley, about 50 miles (81 kilometers) north of the capital of Kabul, killing between 700 and 1,000 soldiers and destroying 60 tanks. Diplomats and rebels sources in New Delhi agreed Wednesday that the offensive, which began May 20, had failed amid heavy resistance.

But diplomatic reports Wednesday from Islamabad cast doubt on the victory claims, saying the Soviet-Afghan force had occupied key positions in the valley. Television broadcasts shown in Kabul showed a Defense Ministry official visiting the area and distributing medals to combatants.

Hinckley Says He Will Not Testify

WASHINGTON — John W. Hinckley Jr., who is accused of trying to assassinate President Reagan, told the judge at his trial Wednesday that he does not want to testify in his own defense, although "I have been advised by counsel I could take the stand."

Mr. Hinckley, 27, addressed U.S. District Judge Barrington D. Parker after a recess, during which he met with chief defense lawyer Vincent J. Fuller.

The final defense witness, psychiatrist Daniel R. Weinberger, testified Wednesday that it was "seven to 10 times more likely" that Mr. Hinckley's brain scan belonged to someone with schizophrenia than to a person without a severe mental disorder. He testified that Mr. Hinckley's brain tissue had degenerated and shrunk in size.

Balsemão Has 'Positive' Talks in Paris

PARIS — Premier Francisco Pinto Balsemão of Portugal said Wednesday his talks with French leaders had been "frankly positive" and that France had committed itself to backing Portugal's entry into the Common Market.

Mr. Balsemão, in Paris for a brief visit, said Prime Minister Pierre Mauroy had reaffirmed his support for Portugal's entry in the European Economic Community and that there were "no points of contention between Paris and Lisbon on bilateral issues."

He said all other EEC members also had had positive reactions to the Portuguese candidacy. Mr. Balsemão said he saw no problem with the simultaneous entry of Spain and his country into the EEC, but added that Portugal's membership should not be delayed in the event of friction between Spain and other EEC members.

Israel Denies Unwritten Agreement

JERUSALEM — Israel denied Wednesday an assertion by Butros Ghali, the Egyptian deputy foreign minister, that there is a gentlemen's agreement not to hold Palestinian autonomy negotiations in either Cairo or Jerusalem.

The denial, made by a spokesman for Prime Minister Menachem Begin, was made a few hours before the Egyptian foreign minister, Kamel Hassan Ali, arrived in Jerusalem for hastily arranged talks. He was carrying a message from President Hosni Mubarak.

The autonomy negotiations are at a halt because Egypt has rejected Israel's demand for Jerusalem to be one of the sites of talks.

After the meeting, Mr. Ali said that Mr. Begin may meet with Mr. Mubarak "in the near future." But Mr. Ali added that there had been no progress on the dispute over making Jerusalem a site of the negotiations.

Egypt Considers Desert Maneuvers

CAIRO — Egypt is considering a British and French request for permission to conduct military exercises in the desert, Defense Minister Abdel-Halim Abu Ghazala said Wednesday.

He said the exercises would be similar to the U.S. Rapid Deployment Force exercises held here last year.

Egypt will most likely grant permission, he said. He added that Canada earns \$1 billion annually by leasing part of its land for such exercises, a sum equal to Egypt's Suez revenues.

Scripps Sells UPI to New Company

NEW YORK — The E.W. Scripps Co. sold United Press International, on Wednesday to Media News Corp., a new company formed by a group of U.S. newspaper, cable and television station owners. Terms of the sale were not announced.

Media News announced it would begin an immediate program to accelerate UPI's changeover to satellite delivery of its news report, and to improve and aggressively market UPI services worldwide using new transmission technologies such as cable, direct broadcast satellite service, low-power TV, videotape, and computer data bases.

The name of the 75-year-old news service will remain United Press International. Media News, which is privately held, said that it did not plan staff changes at UPI and that Roderick W. Beaton had agreed to remain as president.

Compiled From Agency Dispatches

Turmoil in Argentina Grows With Setbacks on Battlefield

(Continued from Page 1)

ment was portrayed at home as leading Argentina into a new strategic alliance with the United States and the West, has begun describing himself as the leader of a nonaligned, Third World nation.

In meetings with business and labor groups in the past few days, Gen. Galtieri has also promised to change the conservative, free-market economic policy the military has followed for the last six years.

He has come close to endorsing the traditional program of the military's oldest enemies, the nationalist, populist Peronists, named for former president Juan Perón. Analysts close to the Argentine military say that Gen. Galtieri, by radically changing his administration's politics to those of fervent nationalism, could maintain the military in power long beyond the present conflict.

Divisions in Labor Movement

But the military leadership is far from agreed. Even as Gen. Galtieri and the air force commander, Gen. Basilio Lami Dozo, have promised economic policy changes, Economy Minister Roberto Alemann has said in repeated interviews that no such change has been agreed upon.

The civilian leadership itself is near turmoil. The labor movement, on the point of uniting before the Falklands invasion, has now divided into two increasingly hostile camps. The front representing the five largest civilian parties is said to be deeply divided.

The Peronists, the largest political party, are mobilizing on their own. A statement Monday called for the organization of "defense committees for national sovereignty" and ominously declared that "even in the possibility of defeat, we will be permitted ... to return political sovereignty to the people."

It seems clear that with or without the junta, the "war with Britain" will not be renounced. Argentine will never relent, political and military leaders have joined in saying this week. The country will lead Latin America and the world's developing nations in a protracted struggle against the "Anglo-Saxon superpowers" of the West. If it has to, it will enter in a pact with Cuba, with the Soviet Union, political leaders seem to agree.

In recent days, the voices of moderate spokesmen seem to have disappeared. Now, to question Argentina's militant chorus is to be accused of treason.

The military command will not be blamed for invading the Falklands, many analysts in Argentina believe, and it may not even be faulted if it loses the islands. Argentina, political leaders say, has represented itself well, fighting with a determination that few outside the country expected.

Instead, Argentina's political leadership has found a much easier culprit for the loss of the islands: the United States. It has only been the material support by the United States that has turned the tide in Britain's favor, a variety of civilian leaders in Argentina are now saying.

In the army, it is said that Gen. Galtieri will quickly relieve the commander of the corps entrusted with the Falklands operation along with the islands' military governor, Gen. Mario Benjamin Menéndez.

For the navy, sources say, the re-creations are beginning over the Argentine fleet, which has apparently clung to the Patagonian coast.

Meanwhile, outside the high command, the junta's rivals are apparently at work. Allies of former President Roberto Viola, removed by Gen. Galtieri last fall, have been accused publicly of plotting for a new civilian-military government.

"There's an way for the military government to reverse what started," said Raúl Alfonsín, Radical Party leader. "The stage of the military rule has already ended."

200 Nigerian Students Stage Protest in Athens

ATHENS — About 200 Nigerian students protesting delayed union payments went on a rampage through the Nigerian Embassy here Wednesday, damaging furniture and files in the embassy and in the ambassador's office, press reported.

Authorities said that a number of students were arrested and will be prosecuted for vandalism at the request of the Nigerian ambassador, B.G. Kingba.

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Iraqi Jet Flies Over Tehran, Qum; Iran Warns Against More Shelling

BEIRUT — An Iraqi plane flew over Tehran and Qum on Wednesday as a warning against Iranian shelling of Iraqi cities and vital installations, the Iraqi news agency reported.

In Havana, Ali-Akbar Velayati, the Iranian foreign minister, said his country was prepared to extend the fighting into Iraq if Baghdad forces continued shelling Iran. Mr. Velayati was attending a meeting of foreign ministers of the non-aligned movement.

In Cairo, President Gamal Abdel Nasser said Tuesday that a conference of moderate Arab countries, including Egypt, Iraq and Iran, was being held to try to end the war between Iraq and Iran. He spoke after conferring with President Hosni Mubarak of Egypt.

An Iraqi military spokesman quoted by Iraq's news agency said that the Iraqi aircraft "These mock raids assert the ability of our air force to penetrate deep into Iranian territory. Any enemy at-

tack against civilian targets in Iraq will be met with an appropriate and firm response."

It was the first time since the early months of the war that an Iraqi warplane had flown deep into Iranian territory. Qum lies south of Tehran, 300 miles (480 kilometers) from the Iran-Iraq border.

In Iran, Tehran radio broadcast an air raid alarm Wednesday morning and quoted a military communiqué as saying several Iraqi planes had reached the capital but had been driven off by Iranian fighters.

Earlier this week, the Iraqi Air Force bombed Iran's main oil export terminal on Kharg Island and a refinery at the northern town of Tabriz in retaliation for the alleged shelling of civilian targets in Iraq.

The Kuwaiti newspaper Al-Arabia said Wednesday that Saudi Arabia and its five partners in the Gulf Cooperation Council have drawn up a three-point plan to end

the war. It quoted unidentified council sources as saying the plan called for a cease-fire, Iraqi withdrawal from Iranian territory to the border specified in a 1975 agreement, and negotiations to solve outstanding issues.

The report coincided with a tour of Gulf states by an Algerian presidential envoy, Lakhdar Brahimi, whose country mediated the 1975 border accord. That agreement was denounced by President Saddam Hussein of Iraq a few days before his troops moved into Iran more than 20 months ago.

The Gulf council includes Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain, Qatar and Oman.

Mr. Velayati said a cease-fire depended on Iraqi acceptance of Iran's conditions. He listed these as Iraq's unconditional withdrawal from occupied territory, reparations by Iraq for war damage, and the establishment of a court to investigate what he called Iraqi aggression.



Ali-Akbar Velayati

Mr. Nasser, whose country was one of the three Arab states not to break relations with Egypt when it signed a peace treaty with Israel, said, "We suggested an immediate Arab League meeting to be attended by Egypt."

Mr. Mubarak indicated that he approved of such a meeting but did not say whether he would go himself.

U.S. Catholics Facing Acute Clergy Shortage

Vatican Stand on Celibacy, Ordination of Women Cited

By Charles Austin
New York Times Service

NEW YORK — The growing worldwide shortage of Roman Catholic priests will soon reach crisis proportions in the United States, according to research being done on the subject.

The projections indicate that the U.S. church could have 50 percent fewer active clergy by the end of the century and at the same time be financially obligated to care for a larger group of retired clergy and nuns.

In 1966, there were 48,000 persons enrolled in seminaries. Now there are 11,500, according to figures scheduled for release Thursday by the Official Catholic Directory.

There are now about 58,000 religious and diocesan priests in the United States, 315 fewer than last year. Researchers at the National Opinion Research Center of the University of Chicago predict that this number will be less than 25,000 by the end of the century.

On the other hand, the publisher of the directory reports that the number of U.S. Catholics has increased to 51.2 million, up 57,737 from last year.

Brooklyn, with 1,300 priests in 221 parishes and 13 of these retiring, will ordain three.

"There are no signs of any increase in vocations to the priesthood," said William McCready of the National Opinion Research Center in Chicago, using earlier studies as a basis for his conclusion.

Furthermore, if current trends persist, about half those ordained this year might be expected to resign from the priesthood within 20 years. Rejection of the policy of celibacy has been the chief cause of resignations, according to research by the center.

The number of nuns is also declining. There are 120,000 in the United States, down from 180,000 in 1968.

A priest must reside at the celebration of the Eucharist, but the church is allowing non-ordained persons to do certain types of parish work. Laymen and women help distribute Holy Communion at Mass and to shut-ins. A nun may be an assistant pastor and take the main responsibility for preparing children for confirmation.

Lay ministers, however, cannot celebrate Mass. No matter how active lay people become, unless a Catholic parish today has a celibate male priest, it lacks the theological and sacramental leadership the church requires.

Richard Schoenherr, a sociologist of religion at the University of Wisconsin, said the limits placed upon the functions of the laity could thwart rising expectations for a more democratic church. "You have to look at the whole history of the church," he said, "where the laity have always been second-class citizens, not allowed any responsibility which would give them real power."

When active lay people realize how little power they really have, Mr. Schoenherr said, "the honeymoon with lay ministries is over."

Auxiliary Bishop Joseph Francis of Newark, N.J., believes that the lay ministries indicate willingness of the church to change its manner of reaching people. He thinks that future church leadership will be less dependent upon church laws.

The Rev. Neil McCauley, president of the National Federation of Priests Councils, said, "Many people believe that God is providing more vocations to the priesthood, but some of those who feel called are women and married men, and the church's rules reject them."

The Rev. Avery Dulles, a theologian at Catholic University, and some other theologians believe the church should try to learn from the earliest traditions of Christianity. For more than a thousand years, clerical celibacy was optional, popes were married and lay people even had a role in electing bishops. It was not until the 11th and 12th centuries that clerical celibacy became church law.

There is virtually no shortage of ministers in most Protestant de-

nominations, where women are ordained and clergy can marry, the researchers report.

Mr. McCready said his center's research indicates that the notion of optional celibacy is not offensive to most Roman Catholics. However, recent discussion on the subject has been consistently cut off by the Vatican and Pope John Paul II.

When the U.S. bishops surveyed religious orders of men and women this year, they learned that over half the male members were over 52, and only 8 percent under 30. Many orders were already selling property so as to have money to care for retired members.

The need to care for the retired and the shortage of personnel may make it difficult for the church to continue some of its educational institutions, hospitals or social service agencies. Already, less than half of the faculty at many parochial schools are clergy or nuns.

Anti-Germ Mix May Have Led to Infant Deaths

By Paul Taylor
Washington Post Service

WASHINGTON — Benzyl alcohol, a preservative commonly used to kill germs in intravenous solutions, may have contributed to the deaths of 16 premature infants in two medical centers, according to the Food and Drug Administration.

The agency, in a letter being mailed Tuesday, has urged 50,000 pediatricians, hospital pharmacists and hospital administrators to discontinue the use of benzyl alcohol when treating premature and newborn infants. The FDA said the preservative is considered safe in intravenous solutions administered to children and adults.

The warning letter was prompted by two unpublished studies, one by a research team in New Orleans and another performed independently by a group in Portland, Ore., that were conducted after neonatal specialists in both cities became suspicious of a pattern of symptoms in the deaths of infants with a birth weight of four pounds (1.8 kilograms) or less.

"Patterns Were Different"

"These infants were critically ill to begin with, but we noticed that their patterns were different from what you normally see in newborn illness," said Dr. Juan J. Gershanik, director of neonatology at Southern Baptist Hospital in New Orleans.

"The one particular finding that tied them together was a gasping syndrome. With most newborns, the respiratory problems lead to

get better over time. With these, they would get worse. And there was also a general unresponsiveness and a tendency to seizures."

Dr. Gershanik said that over a period of roughly 18 months in 1980-81, 10 premature babies at the hospital exhibited such symptoms before their death. All had been given benzyl alcohol in their intravenous solution (as were all other premature babies who had an intravenous hookup), and all had traces of benzyl alcohol in their blood and urine.

Since June, 1981, the hospital has stopped using the preservative in intravenous solutions administered to premature infants, and none of the babies who has died have exhibited those particular gasping symptoms, Dr. Gershanik said.

"The data is certainly suggestive, but there has to be more study," he said.

Benzyl alcohol is most commonly found in intravenous solutions that are drawn more than once from the same bottle or container.

Its function is to retard bacterial growth once the seal of the container has been broken.

The familiar sterile saline or water solution that most people associate with intravenous feeding does not contain the preservative. That is because it is in a bottle whose seal is broken only once.

However, there are occasions when doctors draw repeatedly from the same container of saline solution, and these circumstances frequently arise with premature infants.

Energy Transport Systems Inc. a 50-year permit to divert the water will bring the state hundreds of millions of dollars. These dollars, they say, could pay for badly needed projects to get more water into arid western South Dakota.

The diversion effort has drawn considerable fire, however, from conservationists and officials of several of the nine other states surrounding the Missouri River Basin, who fear the deal may herald extensive commercial exploitation of their primary water source. Significant diversions of water, they fear, could affect irrigation, energy production and municipal, industrial and recreational uses of the river.

The Sioux Indians, to whom U.S. treaties assured possession of much of the region involved, are also upset and planning legal challenges to the plan. Railroad com-

panies are lobbying against it because they say it would damage their coal-shipping business.

Gov. Janklow dismisses most of this criticism as "ill-informed" or arising from "selfishness" on the part of the other states.

"We already have been paid \$2 million and will receive another \$2 million after the deal clears the courts," he said. "We then stand to make about \$9 million a year, adjusted for inflation, on the project. Even if ETSI pulled out tomorrow and not one drop of water was taken, we would still make \$5.5 million."

He said the agreement halted plans by Energy Transport to draw water from the Madison Formation, a vast water table extending beneath sections of Wyoming and western South Dakota. There were fears this plan would have lowered

Vatican Refusals

The search for an answer to the priest problem discloses no sign that the church is willing to reshape the ordained ministry in ways that would involve revocation of the policy of mandatory celibacy and a reconsideration of the question of women priests. The Vatican has consistently blocked change in these areas.

The archdiocese of Chicago, the nation's largest with more than 2.5 million Roman Catholics in 444 parishes, will ordain only seven new priests this year, the smallest class in its history. The diocese of

South Dakota's Water-Diversion Plan Angers Other States and Sioux

By Nathaniel Sheppard Jr.
New York Times Service

PIERRE, S.D. — South Dakota's agreement to send water beyond its borders, for a price, has provoked outrage and court challenges from conservationists, Sioux Indians and several nearby states.

The state decided in February to allow a San Francisco-based energy concern to siphon water from the Oahe Lake and pipe it 260 miles (415 kilometers) west to the coalfields of the Powder River Basin near Gillette, Wyo. The water is to be mixed with crushed coal to form slurry; the slurry will be pumped through a pipeline about 3,000 miles southeast to power plants in the South.

Water is to the West what oil is to the industrial Northeast and Middle West. Because the demand for water exceeds the capacity of

many Western states to provide it for agricultural and domestic use, diversions to other regions are a much-debated issue.

Construction of the two pipelines, from South Dakota to Wyoming and from Wyoming to Arkansas and Louisiana, has yet to begin because of court challenges and prolonged efforts to secure water permits and rights-of-way. Among the several states the pipelines will cross, South Dakota is the only one to have settled all the legal technicalities.

First Major Diversion

If the project withstands the court challenges, it would lead to the first major diversion of water from the Missouri Basin for commercial purposes.

South Dakota legislators, state water officials and Gov. William J. Janklow say their decision to grant

Energy Transport Systems Inc. a 50-year permit to divert the water will bring the state hundreds of millions of dollars. These dollars, they say, could pay for badly needed projects to get more water into arid western South Dakota.

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He said the agreement halted plans by Energy Transport to draw water from the Madison Formation, a vast water table extending beneath sections of Wyoming and western South Dakota. There were fears this plan would have lowered

water pressure in towns in these areas.

The argument over the South Dakota plan is exacerbated by the lack of a comprehensive strategy for water management in the basin. There are also longstanding hard feelings in some states over the effects of federal water policy.

'Come and Get It'

"The fight is really over the general use of water in the basin," said Stephen P. Krichma, an assistant attorney general for Missouri, one of the basin states opposed to the diversion proposal. "The Bureau of Reclamation has said there is a million acre-feet of water in the basin that can be used for energy development — come and get it."

Energy Transport's agreement would allow it to divert 50,000 acre-feet of water per year. An acre-foot is the amount of water

that would cover one acre to the depth of one foot.

"South Dakota is bitter because it feels it did not get enough water for irrigation under the Flood Control Act of 1934, which led to the construction of six main stem dams that flooded large areas of the state," Mr. Krichma said. "Now the state stands to make \$1.4 billion. What has not been looked at is the impact this and other proposed out-of-basin withdrawals will have on downstream states."

Energy Transport Systems Inc. is a joint venture by Bechtel Corp., a multinational energy concern based in San Francisco; Atlantic Richfield, the nation's eighth largest petroleum company; Lehman Brothers Kuhn Loeb, a New York investment firm; Kansas-Nebraska Natural Gas Co., and Texas Eastern, a natural gas pipeline firm.

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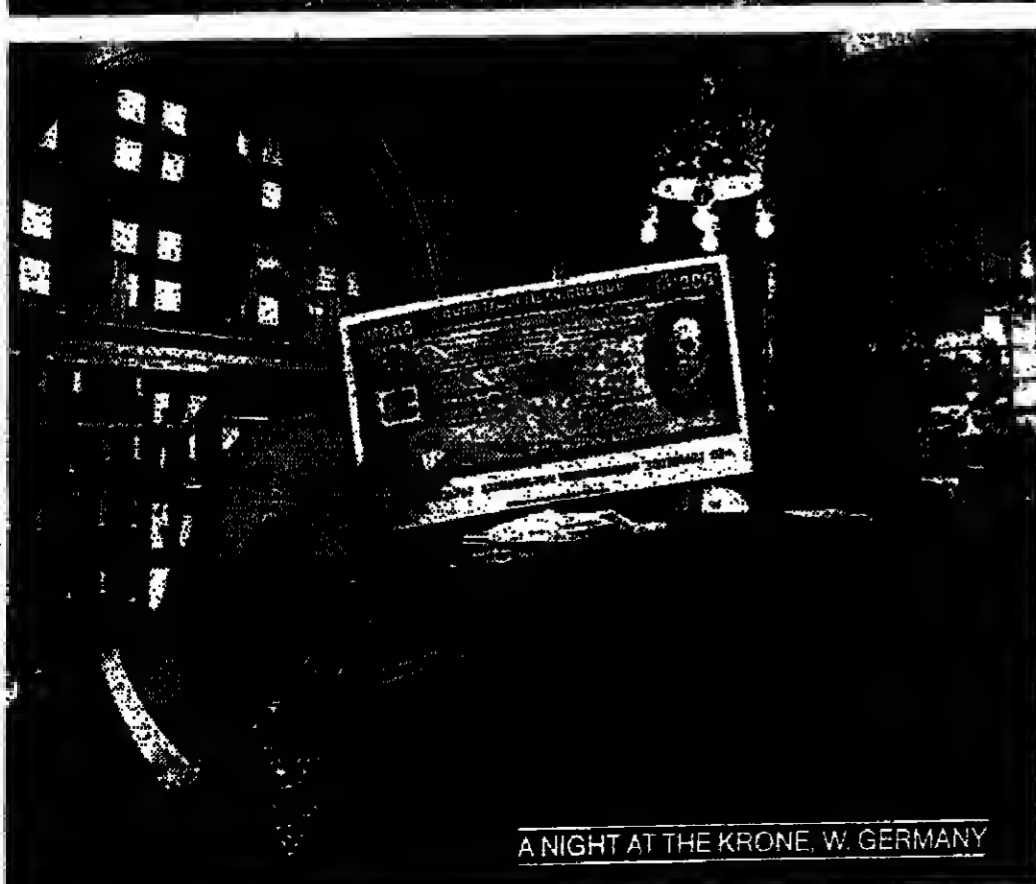
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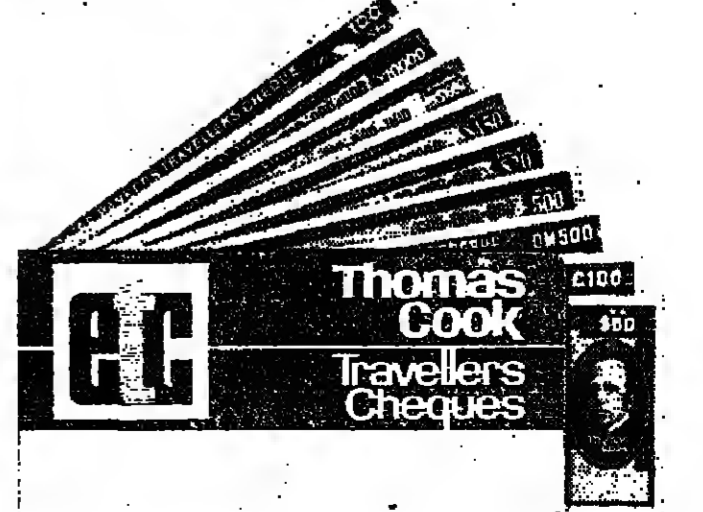
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5. The nomination papers must be written in Arabic Language giving full information about the candidate, his achievement and work, distinction in his career and attaching photocopies of his certificates, degrees, etc. and three 6 X 9 cm. photographs.
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7. The last date of submission of the nomination and works is the 23rd of Dhu Al-Qe'dah 1402 A.H. (September 11, 1982). The nomination papers received after this date will not be considered unless the subject of the prize is postponed for the following year.
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Battle of the Airwaves Worries Polish Regime Western Radio Stations Accused Of Inciting Workers to Disobey

By Michael Dobbs

WARSAW — Twiddle the knob of a shortwave radio set here and you soon come across an electronic screeching that grates on your teeth like sharp nails scraping a blackboard.

Occasionally, the noise dies away and you hear the voice of broadcasters speaking in Polish from Munich, Washington, London or Paris.

Here lies the front line of one of the most important battlegrounds in Europe: a struggle for the ears and minds of 36 million Poles.

Polish government spokesmen insist that Western radio stations broadcasting to Poland are engaging in blatant psychological warfare. The goal, they say, is to undermine the Communist system at its weakest point as a preliminary step to the attempted dismantling of the entire Soviet bloc.

The broadcasters, by contrast, maintain that their primary purpose is to fill the information gap in Poland caused by strict censorship and the imposition of martial law last December.

Over the past few weeks, following a renewed outbreak of strikes and street demonstrations in Poland, controversy once again has surrounded the role of Western radio stations like the Voice of America and Radio Free Europe, which are both U.S.-financed.

In an interview, a Polish Foreign Ministry expert on "Western propaganda" accused the radio stations of announcing times and places of illegal demonstrations or strikes. The official, who asked not to be named, said this amounted to disguised "incitement" of Poles to disobey the Communist authorities.

The charge was dismissed as absurd by the head of Radio Free Europe's Polish section, Zdzislaw Najder, in a telephone interview with Washington Post Bonn correspondent Bradley Graham.

He said, "It is our duty to tell the Poles what they say themselves. We never issue appeals of our own. We sometimes even try to tone down some of the Solidarity bulletins, never changing the substance but perhaps trying to sound a little less emotional."

"We have almost a complex, a hang-up, not to advise, not to encourage and not to instruct our listeners in Poland."

Despite heavy jamming, both Radio Free Europe and the Voice of America are clearly audible in Warsaw and other Polish cities at certain hours.

According to a survey conducted on Radio Free Europe's behalf among Polish visitors to the West before martial law, an estimated 17 million Poles (63.5 percent of the adult population) tuned in to the Munich-based radio station at least once a week. Voice of America had an estimated 9 million listeners a week, the BBC 6.7 million and the Voice of Germany 3.5 million.

The Foreign Ministry expert said, "We are trying to develop a new propaganda formula based on speed and correct information, but it takes some time before you can get people to believe you."

'Blacklist' Alleged

Polish officials' special venom is reserved for Radio Free Europe, which they describe as a rabidly anti-Communist organization closely linked to the Central Intelligence Agency. Among the more lurid allegations printed in Polish newspapers over the past few months is that the station keeps a blacklist of thousands of Poles earmarked for imprisonment or "liquidation" in the event of a successful uprising against the government.

Apart from the official Polish news media, the main sources of information for the Voice of America and Radio Free Europe are the reports of 30-odd Western correspondents based in Warsaw. Sometimes entire dispatches are broadcast. This has complicated the position of U.S. journalists in Warsaw, who see their job as reporting Poland to the United States, not to itself.

Several journalists, including this correspondent, have been summoned to the Foreign Ministry and warned about the impact of their reports within Poland.

The Foreign Ministry expert gave as an example Solidarity leaflets calling for a demonstration in Warsaw on May 3.

He said, "Let's assume that 5,000 to 10,000 such leaflets were distributed here and they reached 100,000 people. After being broadcast on foreign radio stations, that leaflet might have reached half a million people, telling them where to assemble and at what time. This, then, becomes instigation of unrest, not simply information."

Underground Solidarity activists do not conceal the fact that one of the main purposes in distributing their bulletins to Western correspondents is the hope that this information will be broadcast back to a much wider audience.



WARSAW SHOPPERS — Lech Walesa's wife, Danuta, and their daughter, Magda, stopped in the capital while on their way from Gdansk to visit the Solidarity leader, who is being detained in southeast Poland near the Soviet border.

UN Faces Delicate Task Over Rights in Poland

By Iain Guest

GENEVA — Buffeted between Western impatience and growing hostility from the Polish government, the United Nations is struggling to conduct a two-pronged investigation into human-rights violations in Poland.

The probe is seen as one of the most sensitive undertaken by the United Nations, and it involves two separate bodies. First, there is the International Labor Organization, which is striving to keep open its lines of communication with Warsaw and at the same time to ensure a place for independent trade unions in any new legislation.

This delicate balancing act could result in success or failure at the ILO's annual conference, which began in Geneva on Wednesday. Some feel that Pope John Paul II, who is to address the meeting on June 15, could decisively influence its future direction. Poland sent only a government delegation, in an effort to avoid a public protest against any worker delegation not led by the internal leader of the Solidarity union organization, Lech Walesa.

Second, at a time when he is preoccupied by the Falkland Islands crisis, Secretary-General Javier Pérez de Cuellar will shortly have to respond to a controversial Western resolution that was passed by the March session of the Human Rights Commission, with support from eight nonaligned delegations.

The resolution called on Mr. Pérez de Cuellar to make a thorough review of human rights in Poland and to report back at the 1983 session of the commission next February. It was the first such action taken by the commission against an East European country, and it was denounced by the Poles and the Russians. Sources in Geneva say that Mr. Pérez de Cuellar has so far shown a distinct lack of enthusiasm for the assignment, but it is viewed by some Western governments as a key test of the United Nations' human-rights machinery.

Of the two, the stakes are far higher for the ILO, which was given a hint last week of the possible rewards and pitfalls that could lie ahead at a meeting of the agency's policy-making governing body. The session had before it an account of a recent mission to Poland by a senior ILO official, Nicholas Valtikos. Mr. Valtikos, who is from Greece, was permitted to spend two hours with Mr. Walesa — in itself a signal complimentary to the ILO. He responded with a carefully balanced account of the interview and recommended a judicious mixture of cooperation and pressure by the ILO in its future dealings with the Polish government.

Mr. Valtikos gave the impression that Mr. Walesa — whom he described as "in good physical and moral condition, calm and relaxed, his wit sharp and his welcome cordial" — was in the mood to compromise. Mr. Walesa was reported to have agreed that Solidarity, which has been suspended since the Polish authorities imposed martial law, had moved too fast and not explained its objectives clearly enough.

Walesa Promises
Mr. Walesa was also reported to have promised that Solidarity would suspend strikes for "quite a long period" and enter into a "national understanding" with the government to help the country out of its economic crisis. He added that Solidarity's statutes could easily be changed to make it less political. One possibility, he said, was to incorporate the union around 40 national committees based largely on professions.

At the same time, however, Mr. Walesa reportedly warned that a feeling of revenge had been created by the riots in May, and he complained that he had not had serious meetings with any members of the government for two months. He compared the unions and the government to two boxers in a clinch and insisted that any reforms would have to ensure independence for the unions.

The job of striking a balance in their dealings with Poland was then made harder for ILO officials by the agency's policy-makers. Sources in Geneva say that a special nine-member committee that screens reports of freedom-of-association abuses for the governing body rejected Mr. Valtikos' recommendations as too weak. Led by unionists from Ghana, Mexico and Austria, the committee insisted on demanding freedom for all those interned after the recent riots in Poland.

The committee's report was then duly passed by the full governing body by a 45-3 vote despite protests by the Soviet Union. The debate left some officials concerned that the Poles would soon be left with little incentive to continue the dialogue. A diplomat in Geneva warned that what he called an obsession with Poland could mean that the ILO pays less attention to harassed unionists elsewhere in the world.

If, as expected, the pope makes an anguished appeal to the conference on behalf of his fellow Poles on June 15, the scene could be set for further pressure on the Polish government — and an angry backlash.

Indian Grain to Bangladesh
The Associated Press
NEW DELHI — India agreed Wednesday to rush 100,000 tons of wheat to Bangladesh because of the serious food shortage caused by three consecutive crop failures there, officials said.

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The third annual International Herald Tribune/Oil Daily Conference on "Oil and Money in the Eighties," will take place September 20 and 21 at the Intercontinental Hotel in London.

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Governor, Petromin; James Akins, former U.S. Ambassador to Saudi Arabia, and by satellite hook-up, the U.S. Secretary of the Treasury, Donald T. Regan.

For further information, please contact the International Herald Tribune Conference Office, 181 avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Telephone: 747.12.65, Ext.: 316. Telex: 612832.

INTERNATIONAL
Herald Tribune
Published with The New York Times and The Washington Post

Baker Reports Failure To Resolve U.S.-China Differences on Taiwan

From Agency Dispatches

PEKING — Howard H. Baker Jr., the majority leader of the U.S. Senate, said Wednesday he had been unable to resolve U.S.-China differences over arms sales to Taiwan.

Meanwhile, in Washington, a State Department spokesman said that Sen. Baker, an American woman detained in Peking as an alleged spy, would be released Thursday afternoon and told to leave China within 48 hours. Sen. Baker had been trying to obtain her release.

On U.S.-Chinese relations, the Tennessee Republican said that he had told Chinese leaders that he opposed changing the Taiwan Relations Act, which was passed by Congress after the United States normalized ties with China in 1979. The act commits Washington to supplying Taiwan with defensive weapons.

U.S. plans to sell Taiwan military spare parts worth \$60 million have caused a crisis in Washington's relations with Peking.

Sen. Baker said he had been told by Deng Xiaoping, the deputy chairman of the Communist Party, that the future of U.S.-Chinese relations could be jeopardized if military sales to Taiwan were continued.

Similar Warning

A similar warning was given in Tokyo by the visiting Chinese premier, Zhao Ziyang, who said: "If the United States persists in selling arms to Taiwan, it would have a very serious negative effect on relations."

Mr. Zhao, on a six-day visit to Japan, said that U.S.-Chinese ties were at an important crossroad because of the issue.

He added that the key to bilateral relations was whether Washington would respect China's sovereignty or intervene in Peking's internal affairs. China regards Taiwan as an integral part of its territory.

In Taiwan, Sen. Barry M. Goldwater, Republican of Arizona, said Congress would strongly resist amending the act. He accused Peking of trying to bully the United States into abandoning Taiwan and of planning military moves against the island.

Quake Jolts Yugoslav Area

United Press International

BELGRADE — An earthquake measuring 5.2 on the Richter scale jolted the Kopnik Mountain area in eastern Yugoslavia about 120 miles (194 kilometers) south of the capital, Wednesday, causing slight damage to houses in the villages of Blazevac and Brus but no injuries, police said.

Wales's wife

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Lisa Wicher
... held in Peking

working on research for her doctoral degree while she was in China. Friends said Tuesday that she was planning to marry a Chinese economics student, but that the marriage had not received the necessary Chinese approval.

U.S., Peking Have Started Talks on Nuclear Cooperation

By Bernard Gwertzman
New York Times Service

WASHINGTON — The Reagan administration has begun talks with China on the possibility of an agreement on nuclear cooperation that would enable American companies to help develop China's future nuclear power industry.

This was disclosed Tuesday by the deputy secretary of state, Walter J. Stoessel, in a policy speech on China in which he said that President Reagan values U.S. relations with China highly and "believes it is important to work together to expand the benefits to both countries."

Discussions Hampered

Contending that too much attention had been paid to Washington-Peking differences over Taiwan, Mr. Stoessel also revealed that in a recent directive, Mr. Reagan reaffirmed a policy of "substantial liberalization" in the export of technology to China.

Mr. Reagan, according to Mr. Stoessel, declared that U.S. export policy "should support a secure, friendly and modernizing China."

State Department officials said that discussions on a possible agreement had been held privately with Chinese officials and had up to now been hampered by China's refusal to sign the treaty banning the proliferation of nuclear weapons or to join the International Atomic Energy Agency and abide by its safeguards.

China is already a producer of nuclear weapons, but the administration is insisting that China pledge its peaceful intentions and allow inspection to demonstrate that it would use any help from the United States strictly for nuclear power.

China currently has no atomic power reactors, State Department officials said, but has indicated that it is thinking of starting up a program for which it would need to import Western technology and equipment.

The most important project under consideration is for the construction of two 900-megawatt pressurized water reactors in Guangdong province, which borders on Hong Kong. The Chinese would like to sell some of the power produced to Hong Kong to gain foreign currency to offset the imports. The Chinese, officials said, have told the United States that they are very interested in U.S. technology.

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THE FRENCH STYLE OF FINE LIVING IN THE WORLD.

Seoul Cabinet Is Shuffled Again After Scandal

Reuters

SEOUL — President Chun Doo Hwan shuffled his Cabinet Wednesday for the second time in two weeks in the aftermath of a multimillion-dollar loan scandal.

Chief presidential secretary Lee Bum Suk replaced Foreign Minister Lho Shin Yong, and Mr. Lho became the first career diplomat to head the Agency for National Security Planning, successor to the Korean Central Intelligence Agency.

A presidential spokesman said the head of the security agency, Yoo Hak Seong, had tendered his resignation, citing personal reasons. The agency has been criticized for failing to discover the banking and loan fraud, which the prosecution says was masterminded by Lee Chul Hee, former deputy director of the KCIA.

Mr. Lee and his wife, Chang Young Ja, were indicted with 26 others Wednesday on charges that they manipulated an unofficial loan and stock markets and in two years amassed \$974 million, according to the prosecution.

Among those indicted was Lee Kyu Kwan, the uncle of President Chun's wife, who was charged with accepting a bribe from the couple. [Song Chung Kwang, a former employee of the intelligence agency, was charged with taking bribes to facilitate the couple's travels abroad, according to the Associated Press. Also indicted were seven former bank executives, six businessmen, six brokers and five aides of the couple.]

All Cabinet members offered their resignations to Gen. Chun on May 20 to take moral and political

responsibility for the loan scandal. He accepted the resignations of 11 but retained Kim Joon Suog, deputy premier and economic planning minister, and Rha Woong Bae, the finance minister, to clear up the financial scandal.

The opposition Democratic Korea Party called on Gen. Chun Wednesday to dismiss Premier Yoo Chang Soon and three other ministers, alleging a government cover-up over the scandal. Opposition

motions calling for Mr. Yoo's dismissal and for parliament to make its own investigation into the scandal were defeated in the National Assembly after a five-day special session on the affair.

Meanwhile, veteran politician Kim Young Sam, 54, who said in an interview with The New York Times that Gen. Chun would not last in office beyond the autumn, has been placed under house arrest and denied visitors.

Plainclothes security men and police had been stationed around his house in a Seoul suburb since Tuesday afternoon, his aides said. A guard post had been set up outside his house and all visitors were being turned away, they said.

Mr. Kim was the former leader of the New Democratic Party, which was dissolved. He and 566 other politicians were banned from political activity for eight years in November, 1980.

Chaudhry Elahi, Pakistani Ex-Leader, Dies

United Press International

LAHORE, Pakistan — Chaudhry F. Elahi, 78, a former president of Pakistan, died Tuesday, his family said.

Mr. Elahi resigned the presidency in September, 1978, in a dispute with Gen. Mohammed Zia ul-Haq, the martial law leader, who had led a coup against Prime Minister Zulfikar Ali Bhutto in 1977.

Mr. Elahi, an attorney and long-time politician, became speaker of the Pakistani Parliament in 1972 and was elected president in 1973 under a new constitution later dropped by Gen. Zia. He remained president until his resignation in 1978.

Bernie Lay Jr.

WASHINGTON (WP) — Bernie Lay Jr., 72, a former military pilot and a screenwriter whose films include "I Wanted Wings" and "Twelve O'Clock High," died May 26. Mr. Lay earned Academy Award nominations for the screen-

plays for "Above and Beyond" and "Strategic Air Command."

Doris Leslie

LONDON (AP) — Doris Leslie, 80, an English novelist and biographer, died Monday. She was known mainly for her biographies, beginning with "Royal William," a study of King William IV published in 1940.

Antonin Snejdarek

PARIS (IHT) — Antonin Snejdarek, a Czech historian, resistance leader and foreign policy adviser who became a professor of history and political science at the Sorbonne after fleeing Czechoslovakia in 1968, died last Friday.

He was a leader of the anti-Nazi resistance in western Bohemia during World War II. As foreign policy director in the Central Committee of the Czechoslovak Communist Party during the "Prague

spring" of 1968, he was a top adviser to the party leader, Alexander Dubcek.

Levio A. Pellegrinelli

KNOXVILLE, Tenn. (AP) — Levio A. Pellegrinelli, 91, an Italian-born sculptor whose work appears in the National Gallery of Art in Washington, died Saturday.

Moteyus Y. Shumauskas

MOSCOW (UPI) — Moteyus Y. Shumauskas, 77, former deputy chairman of the Supreme Soviet, has died after a long illness, Pravda said Monday.

Carlo Mauri

LECCO, Italy (UPI) — Carlo Mauri, 52, a noted Italian mountain climber and explorer, died Monday. He had explored the Antarctic and the Amazon, and retraced Marco Polo's route to China.

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circuits, the 60° V6 engine, independent suspension, disc brakes. Even the "grand tourer" concept. All these, and many other developments, stem from Lancia's continual search for innovation and improvement and the desire to provide the ultimate in driver satisfaction. Every Lancia has front

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Herald Tribune

Published With The New York Times and The Washington Post

The Negotiating Partner

Ronald Reagan left for Europe Wednesday after smoothing his way with his weekend pledge on SALT-2. This is, of course, the "fatally flawed" treaty whose ratification he labored mightily to block. Now he finds it useful, if only to calm down critics.

It is, nonetheless, good to have a presidential reaffirmation of SALT-2. The reason is not simply that it will reassure the allies. It is also that Mr. Reagan's START proposals will require major policy changes by a Soviet leadership in the throes of a succession, and will take years to negotiate as well. In the interim it will be essential to have as many useful understandings and agreements in place as possible between Moscow and Washington. The question is whether the president has done as much for himself in this connection as he should.

He has matched Leonid Brezhnev's pledge to respect SALT-2 if the other does. That presumably means the two countries will not build weapons that the treaty prevents them from building. But, by not ratifying, Mr. Reagan evidently loses the provision requiring the Soviets — but not the Americans — to reduce by 10 percent their missile launchers and heavy bombers. He apparently also loses use of the treaty's verification panel to check on Soviet performance.

By bowing to "existing strategic arms

agreements" — a foggy formulation — Mr. Reagan evidently means to avoid being pinned down on whether he will continue respecting the 1972 ABM treaty limiting defensive missiles. The significance of this is that "Dense Pack," the latest proposal for deploying the MX missile, entails a defensive system that violates it. From that formulation, furthermore, the president excludes two other agreements, the threshold test ban and peaceful nuclear explosion treaties, signed in the mid-1970s but never ratified. His arms control chief, who came aboard favoring early ratification, reports that new resistance has developed in the Pentagon.

Take these unfulfilled arms control agreements, throw in assorted unratified human rights treaties and the unsigned law of the sea, and you have a country with a richly earned reputation as an unreliable negotiating partner. Other countries may have their own reasons for staying at the table, but the recent American record has got to make prospective partners wonder about the wisdom of investing the time, energy and political capital it takes to deal with the United States. The only consolation is that it is hard to imagine any past or future treaty that Mr. Reagan would send up to the Senate that would not be approved in a snap.

THE WASHINGTON POST.

Long-Term Interest Rates

Have sky-high interest rates stopped you from buying a home or investing in a business? Join the frustrated crowd. The price of money may be America's hottest political issue, overshadowing even unemployment.

Yet, strangely, the Reagan administration has failed to take a simple noncontroversial step to ease the squeeze. By reducing or eliminating sales of long-term government bonds, the Treasury could reduce long-term interest rates by as much as a percentage point.

Uncle Sam finances much of the budget deficit by selling IOUs to the public. Most of this trillion-dollar-plus debt consists of short-term securities, with maturities of a few years or less. But for the last seven years the Treasury has been pursuing a new strategy, selling disproportionate amounts of securities with terms of 10 years or more. In 1975 the average federal bond matured in two and a half years. Today the average term is four years, and if Secretary Regan does not change course that figure will keep rising.

The term structure of the federal debt has never been seen as a big-league issue. When Treasury technocrats argued that longer terms would make life more convenient by reducing the portion of the total debt that would have to be refinanced each year, Congress yawned — and assented.

Now the Treasury is back on Capitol Hill,

asking permission to sell bonds of whatever term it pleases. The current plan calls for adding \$16 billion in new long-term debt. But this time some congressmen want to examine the possible adverse consequences. According to Benjamin Friedman, a Harvard economist, these could be substantial.

Suppose, he argues, that the Treasury had sold fewer long-term bonds in the 1970s and had financed the deficit instead with IOUs of just a few months' duration. More long-term funds would have been freed to build factories and homes.

For every \$1 billion of debt thus shifted, Professor Friedman estimates, long-term corporate bond rates would have fallen by one-quarter of 1 percent, and stock market prices would have risen by 2 percent. By similar calculations, a policy of issuing no new long-term federal bonds would cut today's long-term rates by about one percentage point.

"Shortening" the debt is no panacea: It would modestly increase short-term rates. Only a cut in the deficit or a shift in the Federal Reserve's anti-inflationary stance is likely to bring all interest rates down sharply. Still, it is odd that an administration that wants so much to stimulate a boom in private investment has neglected to notice the effects of its own debt-management policy.

THE NEW YORK TIMES.

Other Editorial Opinion

Discordant Voices at Versailles

There is no doubt that much of the trouble results from the Reagan administration's hawkish foreign policy and tough economic policies. But also contributing to the divisions is the swelling anti-bomb movement in Europe and disputes over economic sanctions against the Soviet Union. And the Falkland Islands war will cast a shadow.

Almost certainly, sky-high interest rates in the United States will draw severe censure at Versailles. All countries are losing patience on this problem and also are growing dissatisfied with the U.S. hands-off policy toward the high exchange rates for the dollar.

We want the United States to announce a timetable for bringing down the excessively high interest rates. The United States should be aware by this time that it is not in its interest to continue to antagonize its allies.

At the summit, opinion will be split over whether stress should be given to overcoming the unemployment problem or to dampening inflation. France, Italy and Canada give priority to the unemployment problem, while the United States and Britain feel it is more important to combat inflation. The summit must face the fact that to solve the problems of unemployment and inflation, the world economy must be revitalized.

Trade friction with the United States, although still present, has subsided with the announcement by Japan of its second package of measures to open its market. Washington's high appreciation of the package seems to be a signal to Japan that the United States seeks its cooperation at Versailles.

— From The Daily Yomiuri (Tokyo).

The Equal Rights Amendment

Less than a month remains for ratification of the equal rights amendment. There are practical as well as philosophical reasons for passing this amendment — reasons that have long been debated. Women's pay still lags in comparison with that of men, women still face inconsistent state laws on community

property, and women still do not have clear protection under the 14th Amendment.

Only too recently, the Reagan administration's dismantling of affirmative-action programs has demonstrated the need for a firm statement of national policy on discrimination against women. Without such a policy, it will be much more difficult for women to be taken seriously as they seek to make economic and political gains.

Only a handful of state legislators stand in the way of approval of a measure that legislators representing 70 percent of the American people have already ratified.

— From the Los Angeles Times.

Pride's Stakes at Stanley

In these hazardous weeks of pride and of sacrifice, all the dreary years of enfolding neurosis have slipped away from our country. Our brave men, liberating Port Stanley, could do far more than free a village on the edge of the Antarctic from foreign occupation. They could free Britain from self-doubt.

— From the Daily Mail (London).

About a Controversial Lady

Mrs. Jeane Kirkpatrick, the American ambassador to the United Nations, is not without certain qualities. She is intelligent, aggressive and outspoken. She is also an undoubted expert on Latin American politics — a subject of some importance and complexity which has rarely received the attention it deserves. She is also insubordinate, conceited and myopic. In short, like so many academics, the lady is a clever fool.

Since the eruption of the Falklands crisis she has played an extraordinary role. President Reagan is not a man to whom the ruthlessness essential to high office comes easily. It is worth remembering, however, that when Andrew Young, another maverick ambassador at the UN, went too far (by fraternizing with representatives of the Palestine Liberation Organization), President Carter sacked him without a moment's hesitation.

— From the Daily Telegraph (London).

June 3: From Our Pages of 75 and 50 Years Ago

1907: Negro Presence in Long Island

NEW YORK — Mr. Booker Washington, leader of the negro race in America, will become President Roosevelt's neighbor in Long Island this summer. The residence he has rented is in the midst of a fashionable colony whose members might not wish to have even so distinguished a family as neighbors; however, Mr. Washington's family has gone to Europe and he will devote the summer to the preparation of a book on the negro problem.

In London, Father Ignatius, preaching on living statuary, told his audience that its grandmothers would have been shocked at the very question of whether people should deliberately take off their clothes in public. The present tendency, he said, was a return to barbarism.

1932: Lausanne Economic Conference

LONDON — The Foreign Office is busy ascertaining the views of the other European governments regarding the economic conference proposed by the British. Regret is expressed in some quarters that, as a matter of general convenience and time-saving, the United States government does not seem disposed to send a delegation to the conference.

In Washington, leading members of the government have intimated that the United States would be willing to participate in a second phase of the Lausanne conference if the conference was transferred to London. A high official emphasized that the United States' participation at the London conference would not commit it to discussions of war debts or reparations.

Reagan's Grand TV Tour, 63 Years After Wilson

By James Reston

WASHINGTON — Ronald Reagan is off on the most spectacular Grand Tour of Europe since Woodrow Wilson led the victorious Allies to a disappointing peace conference at Versailles at the end of World War I.

As president, and like Wilson, he may look back on his results with regret, but for the time being this diplomatic adventure is an actor's dream. He is not only going back to the palace at Versailles, but will be performing as well with the queen of England at Windsor Castle, the pope at the Vatican, and also to the strains of Wagner in the Rhineland and at

"the Wall" in Berlin. All this on worldwide television.

He was very careful to rewrite the script before he took it on the road. A year ago his foreign policy wasn't even playing very well in Peoria, and it was a flop in Europe. So he did what they do in Hollywood: "Cut," he said, "let's send this thing back for repairs."

First he toned down the martial music. He eliminated some of the more provocative personal and theological lines about the Russians being liars and cheats who couldn't be trusted because they

didn't believe in God. Then he changed the cast at the National Security Council, and he persuaded Secretary of State Haig and Secretary of Defense Weinberger to sing "Hail to the Chief" in unison. And, presumably, he labeled all policies "Use only as directed," and all atom bombs "Smoking these instruments may be injurious to your health."

This has made quite a difference. A year ago he was insisting that he would not negotiate a nuclear arms agreement with the Russians unless they got out of Afghanistan and stopped leaning on the Poles, and until he had established a nuclear balance. Since then he has come forward with serious proposals for the control of intermediate nuclear weapons, and agreed to start talks with Moscow on strategic nuclear weapons at the end of June and meet President Brezhnev later in the year.

The Reagan administration is still not singing in complete harmony. Some of the old tunes keep creeping in, though in a minor key, and occasionally Mrs. Kirkpatrick tosses a chair out of the balcony. But for the time being the tour director has put to rest or at least modified the major criticisms leveled against him in Europe.

These were that he was not really in charge of his own foreign policy, and could not or would not choose between his divided advisers; that he was careless and even reckless in his undiplomatic language, and indifferent to the protests of the NATO allies.

Now there are mutterings among his old buddies on the right that he has indeed decided against some of their most vigilant anti-communist policies; that he is not only listening to the allies but that he has Europeanized, even almost Carterized foreign policy.

How these changes have come about is a matter of speculation and controversy in Washington. I lean to the theatrical or sports manager's theory that the thing isn't working, you change it. Also, sometimes spectacular summit meetings influence policies rather than the other way around.

The Reagan administration was at least partly responsible for the dramatic anti-nuclear demonstrations last year in Europe, as a result of its loose talk about nuclear

"demonstration" bombs and the possibility of winning a nuclear war, and its tendency to see international conflicts mainly in military and anti-communist terms.

Had he faced the summit meeting in Europe this week without changing these themes, his trip would either have had to be canceled or he would have been opposed privately by the other allied leaders and publicly by great protest rallies in the streets. He chose to switch, although not really conceding that he has.

In doing so, he has not assured a welcome reception in Europe, for his economic policy with its high interest rates and unemployment is still an object of bitter opposition there, and he has been far less flexible in his domestic policies than his foreign ones.

During the reappraisal of his policies over the last year, at least some of his principal aides identified several reasons for the slide in the administration's public support. He has dealt effectively with some of the criticisms of his foreign policy but not yet with two issues on the home front.

These are that his economic policies favor the rich, and that his policies both at home and abroad have been losing the support of women voters. To deal with these two questions he will probably have to face the opposition of precisely those conservative Reaganites who are still resentful of his foreign policy changes.

Yet the White House staff is confident that this tour, with its television diplomacy and alluring stage settings, will enhance his personal popularity — and might even convince his Democratic opposition that it is better to compromise on the budget now and leave the main fight to congressional elections in November.

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Limousines at Versailles in 1919: President Wilson looked back on that conference with regret.

The American Position:

By Donald T. Regan, U.S. Secretary of the Treasury

WASHINGTON — The heads of state of the seven major industrial nations will meet in Versailles this week. The basic U.S. message to the summit will stress an open-marketplace philosophy.

This is the essence of the American ideal. And it is also the essence of President Ronald Reagan's approach to the international economy. We have urged, and we will continue to urge, a free and open international marketplace and a convergence of basic economic policies.

At the OECD meeting in Paris recently, there were worried projections that unemployment among the 24 industrialized member nations would approach 30 million this year. We pointed out that, with fully one-third of that total unemployment in the United States, we are just as deeply concerned as the rest of the world, and that we are just as dedicated to increasing real growth and employment.

If there are to be differences among the seven at the summit, they will not be over the fundamental objective of generating

real economic growth and more employment worldwide. A divergence of views — if there is to be any — will be over the best means to achieve that end.

The U.S. view of the best means is based on our understanding of what produces prosperity in the first place. The public sector cannot make the economy grow, but it can set the kind of policies that will allow it to grow. That distinction is vital.

This means, in the international context, continued reduction in trade barriers. With any recession come the inevitable domestic pressures for protectionism. We are resisting those pressures at home, and are urging our trading partners to resist them as well. Protectionism is not among the policy instruments that allow true economic growth to occur.

Fortunately, there is a broad international consensus for this view. Two weeks ago in Helsinki, the 22 nations of the IMF Interim Committee formally emphasized their common conviction that current pressures for protectionism "must be firm-

ly resisted by all countries." They also spoke of a need "to eliminate these practices where they already exist."

This also means that there is a need for international guidelines on foreign investment, as there are guidelines on trade under GATT, to ensure an open climate for capital flows and investment.

The continued use of high and in some cases predatory government subsidization of export credits may result in short-term gains for selected companies, but it is at the long-term expense of the world trading system on which we are all increasingly dependent. The United States will continue to press for agreement on further reductions in official export credit subsidies.

Last, there have been repeated suggestions for the U.S. government to "intervene" in foreign exchange markets: to buy and sell currencies to "smooth out" the market and help get various currencies to their "proper" equilibrium. How any government is to determine a priori what are the "proper" exchange rates is a question that the critics never quite answer.

Foreign exchange rates, trends, are, by and large, the products of fundamental forces at work in a truly enormous market. The exchange markets handle as much as \$40 to \$50 billion each day. We believe that, except in cases of a truly disorderly

market, government intervention is futile. In some cases it is even counterproductive.

However, while I was in Europe I proposed that a joint international study be undertaken to examine carefully — in some cases, re-examine — the broad effect of government interventions in that market. We have initiated the idea of the study and we hope that other nations will join us in taking another look at the evidence.

It is essential that we work cooperatively toward a "convergence" of basic economic policies among the major industrialized countries, designed to achieve higher employment, lower inflation and higher growth. If, within a team of horses, one is trying to gallop, one is cantering and another is in a slow trot, there will be all kinds of problems. There will certainly not be a smooth, mutually reinforcing effort.

Similarly, severe economic dislocations and inefficiencies will occur if some countries are pursuing high-inflation, high-protectionist policies while others are pursuing low-inflation, open-market policies.

Code phrases at Versailles will include "convergence of economic policies." That means trying to get all horses running at similar speeds. Convergence should bring lower interest rates, greater exchange rate stability and more prosperity for all.

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In the Finest Spirit of Democracy, Government Is Slowing Down

By William Pfaff

WASHINGTON — The United States in recent years, in the finest spirit of democracy, has been making itself an increasingly ungovernable country. Nothing important is decided without exacting and costly litigation.

Everything controversial is challenged in law and appeal. This is admirable in theoretical justice, but not so wonderful in effect, contributing to what might be called the Balkanization, from within, of the United States.

The president increasingly resembles a baroque emperor, a latter-day Hapsburg, ineffectually reigning over the equivalent of irreconcilable provinces, insurgent private and corporate interests, and moral and ideological communities ferociously intolerant of one another. One might say of Washington today what A.P. Taylor wrote of Hapsburg Austria: "grandiose, full of superficial life, yet... theater, not reality."

In part this results from the faltering American sense of what Americans should want from the world, and even from life itself — where a hedonistic and the old puritanism hopelessly struggle with one another, and even come to take on each other's qualities, so that self-indulgence is made obligatory and joyless. The unreality also results from more tractable and tangible political changes, which might be reversed, if people wanted them reversed.

For one thing, power in Washington is much harder to get a grip on than before — harder to use. Congress now is tremendously but irrelevantly powerful, with staffs vastly increased from what they were 10 years ago. It is negative, not positive power.

Congress is good at keeping the executive branch of government from doing what it wants to do. It even stops it sometimes from doing what the executive thinks is already settled, since the process for amending legislation now runs all but totally obscure or after what the original law was supposed to be about, even, sometimes, producing the opposite result from what had been intended.

Talk in Washington is all of frustration. There has been a huge transfer of effective power from executive to legislature as a result of the Vietnam War and of Watergate, reinforcing the obstacles to action which are written into the constitutional system, in which the three independent branches of government check one another and the political parties have no means to discipline their legislators.

The U.S. method of government

has always been inherently less powerful than European parliamentary systems. With a disciplined majority in parliament, a European government can do pretty much what it wants.

In the United States, a president must construct new majorities in Congress on each new issue of law, and has to rely on individual political persuasion and threat when what he sees as the national interest conflicts with the local, or with what one or another special interest group wants. Some have been masters of this, such as Franklin Roosevelt and Lyndon Johnson, and some, like Jimmy Carter, have been disasters.

President Reagan seemed to have recaptured a measure of lost executive power last year because of his personal persuasiveness among senators and members of the House; but that now proves to have been ephemeral. He is an undeniably nice man and was popular with the public, so Congress let him have his way for a time. He is not so popular now that his economic policies have not produced results, and he himself has shown how really substantial his ideas are about where the nation stands and what he is about.

The distribution of congressional power is dispersed, horizontal. There is no longer a structure to it because the hierarchy provided by the old seniority system has been discarded. The seniority system was unfair; it disregarded merit and rewarded seniority, and gave the old one-party South disproportionate power. But it worked.

At least it worked better than Congress works now. Leaders were in a position to control the work of Congress, regarding the cooperative and punishing the wicked. Lyndon Johnson, when he was Senate Democratic leader in the 1950s, and Sam Rayburn in the House were the last of their kind.

The speed for one, who has not spent time in Washington for more than a decade is quite the reverse of before. Then it seemed the seat of juggernaut power, rolling over opponents; not entirely in the control of the people who thought they were in charge, but unmistakably a purposive force in the world, to be reckoned with.

Now it seems as if blocked from effective action, burned up by domestic controversy. The papers and television obsessively describe maneuvering within Congress and the agencies of government, examining personalities and speculating upon their favor and fortune, and upon the moods of the president and his close advisers.

But these are the obsessions of a court. There is a striking lack of serious political ideas and of serious discussion among the holders of formal power, and among those who write about power.

The Zionist Theodore Herzl said in Vienna at the turn of the century that "all activity of men begins in dream and later becomes dream over more." One problem of the United States today is that the mechanisms of government, cumbersome to begin with, have been worsened through reform. A second is that no one any longer has a positive idea where to go. Gravity is overcome by movement; for the present, Washington is drawn down, to private and selfish interest, sectarian quarrel — theatrical gesture in place of reality.

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Who do you think is gaining power in the U.S.?

LETTERS TO THE EDITOR

Jordan's Stewardship

It is astonishing that Jordan, of all countries, should take the lead in pressing for a UN resolution charging the government of Israel with conspiring to desecrate Arab holy sites. During the 19 years that the Jordanian government occupied East Jerusalem and the West Bank, that government in a planned, systematic, officially inspired campaign razed all but one of 74 Jewish synagogues (some of them centuries old) that had graced the Old City until the Jordanian conquest in 1948. Hundreds of Scrolls of the Law, reserved for preservation for generations, were burned. Thousands of sacred books were burned.

Under Jordanian rule 38,000 of the 50,000 tombstones on the Mount of Olives were vandalized or stolen, many of them winding up in the Jordanian Army camp

in Bethany, where they were used as building material in barracks, retaining walls, paths and latrines. Although the camp, which was designated as a holy site by the Ministry of Religions, has been allowed to fall into disrepair, it can be viewed today.

ELIEZER WHARTMAN, Jerusalem.

Mobutu's Gains

Regarding "Mobutu, Dictator and Ally" (187 May 12): Will the almighty CIA who put Mobutu into power please make sure that he is not killed when they finally decide to topple him. The price of keeping him alive and free should be that he return all his ill-gotten gains to his country's coffers.

Greedy and morally bankrupt dictators like Mobutu and Somoza before him should not be allowed

to live or die with all that money stashed away. They should be stripped of all their civil rights and sent to the degrading and penurious state in which their lust for money and power has left so many of their countrymen.

Paris. O. ABODERIN.

Important Debate

Aware of today's critical world situation and having recently noticed the important debate in your "Letters" section, I feel compelled to join it. I am strongly in favor of the retiring of Dr. Rex Morgan with a less seamy strip, moreover, I feel that the painfully unfunny "Blondie" needs to be replaced, even more urgently. Two good, modern alternatives would be "Tank" and "Shoe."

JOHN DONALDSON JR. Paris.

Herald Tribune John Hay Whitney (1904-1982) Chairman Katherine Graham Arthur Ochs Sulzberger Co-Chairmen International Herald Tribune, S.A. au capital de 1,200,000 F. R.C.S. Incorporée en France le 17/01/81, au Capital de 1,200,000 F. R.C.S. Siège Social: 14, rue de la Paix, 75002 Paris, France Paris: 01 42 42 42 42 Telex: 01775 Herald, Paris New York: 212 512 2000 Telex: 01775 Herald, New York Hong Kong: 261 2222 Telex: 01775 Herald, Hong Kong Tokyo: 3 333 3333 Telex: 01775 Herald, Tokyo Other Offices: London, Manila, Mexico City, San Francisco, Singapore, Sydney, Taipei, Tel Aviv, Tokyo, Washington, D.C., Zurich		Lee W. Hines Publisher Philip M. Folsie Executive Editor Walter N. Wells Editor Robert E. McCabe Deputy Editors Samuel Alt Carl Givertz Associate Editor Roland Pinson Associate Publisher René Bondy Director of Finance François Desmarest Director of Circulation Richard H. Morgan Director of Advertising
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ARTS/LEISURE

Children's Nuclear-War Fears

By Olive Evans
New York Times Service

NEW YORK — As children are increasingly exposed to images of nuclear war on television and in print, parents, teachers and mental-health professionals are being confronted with the psychological effects of those images.

Some typical fears of young people were expressed at a recent meeting of Future Generations, a youth organization in New York that opposes the nuclear-arms buildup.

Susan Markowitz, a 12-year-old student, was talking about the first time she became aware of the possibility of nuclear war. "At the beginning of this year when the class started reading articles," she said, "I got very frightened that the world could blow up."

Rachel Dretzin, 16, said she thought her schoolwork had been suffering lately and said she frequently had nightmares. "Last week I dreamed that a bomb went off in my kitchen and there were bombs all over the house," she said. "When I walk in the street, I look at things and imagine what would happen if they just disappeared."

As the discussion continued, fear was mentioned in the context of the future. "If I wanted to have children, I'd want them to have a chance to live," said Arielle Eckstut, 11.

"If there was a nuclear war in my lifetime," said Susan Markowitz, "and I lived through it and I would have to live in a cement box, I just wouldn't want to have a family."

"It seems bad," said Tijuana Jackson, 12, "because we're little children and we didn't have any fun yet."

The psychological impact on children and adolescents of "living in a world where thermonuclear disaster is a constant threat" was the subject of a just-published study conducted between 1978 and 1980 by the American Psychiatric Association.

The results, described by Dr. John E. Mack, a professor of psychiatry at Harvard Medical School, in the April, 1981, issue of The Bulletin of the Atomic Scientists, indicated that among 1,000 Boston, Los Angeles and Baltimore grammar and high-school students, "the insidious threat of nuclear annihilation has penetrated deeply into their consciousness" and affected their attitudes toward the future.

"I see children as growing up in our society with a kind of double image or double life," said Dr. Robert Jay Lifton, a professor of psychiatry at Yale University Medical School. "They grow up with the usual mixture of a sense of security and elements of insecurity and expect to live out their lives in traditional fashion. But they have another mind-set that includes the possibility of everything, themselves and their parents and everyone they have known or touched, being suddenly annihilated."

Common Reaction

Anger is a common reaction to this uncertainty about the future.

Fourteen-year-old Marc Auerbach, described at the Future Generations meeting his reaction to a recent television program: "This guy from the emergency management something or other said nuclear war would be a catastrophe but it wouldn't be unmanageable. I nearly threw something at my TV set. Here was this guy, 55 or 60 or so, and he was saying that we have the nerve to say that nuclear war in which I would probably die would be manageable."

If anger and fear remain unspoken, other behavior may express a sense of impotence. "Young people may go in for things that have immediate rewards, that are meaningful to them right now," said Dr. Sibylle Escalona, professor of psychiatry at the Albert Einstein College of Medicine. She mentioned drugs and alcohol as "classic examples of doing something that is exciting right now and is not a part of reaching a future goal." The interest in mysticism and the occult among older teenagers, she said, may also signify a lack of confidence in the real world.

"Students have been bringing a lot of fear into the classroom in the last year," said Roberta Snow, a teacher at Brookline (Mass.) High School and president of the national board of Educators for Social Responsibility.

How to talk to children about the issue of nuclear war, in the classroom and at home, was an issue raised at a recent meeting of about 150 teachers and parents at the Little Red School House in Greenwich Village. It was sponsored by Parents and Friends for Children's Survival, which, according to Sue Young, a board member, is "an anti-nuclear-war group that has become concerned with the psychological well-being of children."

"I want to encourage children to express their fears," a teacher said, "but how am I going to present the concept of nuclear war to my class?"

"We should point out how people have always solved problems throughout history," another teacher replied. "You have to treat children like competent thinkers."

"I've never heard my kids talk about nuclear bombs," a mother said. "Should I bring it up with them?"

"In a way it's a little like sex education," said Florence Volkman Pincus, a professor of psychology at City College in New York. "You can't introduce the subject out of the blue. You have to first find out what they know."

Questions About Death
A father addressed a more basic issue, "How do you deal with kids' questions about death in the context of nuclear-war death?" he asked. A silence descended on the meeting hall.

"Just as a kid is struggling with the idea of death and the truth that death is final," said Lifton in a subsequent interview, "the child is exposed to images of extinction through the media. In that way the



Tijuana Jackson, 12

Joe McNally, The New York Times

"I just want to grow up."

idea of death becomes confused with massive death instead of the appropriate idea of older people dying first.

"And where there is great difficulty in absorbing the idea of death, there is parallel difficulty in living a full life."

At the Little Red School House meeting, Eva Hanhardt, the mother of children ages 6 and 9, told how she had handled the subject.

"On a number of occasions my 6-year-old has said, 'There is going to be a war and we'll be killed.' I tell her it's not inevitable, that people can do something. I've taken the children to demonstrations. They see other people there and feel that their presence is helping."

The idea of helping was taken a step further by some children in Plainfield, Vt., a year or so ago. "We'd been talking about the ne-

clear arms race and how terribly dangerous it was," said Nessa Rabin, 13, who is on the planning committee of Children's Campaign for Nuclear Disarmament. "We said, 'We can't just sit around talking about it.' So we came up with the idea of collecting letters to the president from kids."

"If children realize that they and other people are attempting to do something about this, they will feel less fear," said Dr. June Jackson Christmas, a psychiatrist who is professor of behavioral science at City College and was commissioner of mental health for New York City from 1972 until 1980. "I think that the letter-writing and the petition-signing show that we're doing something."

Or as Arielle Eckstut said, "A lot of adults just ignore it. And the kids build up fear because if you don't know what's happening, it just gets more and more scary."

A Bland Staging of 'Hedda Gabler'

By Sheridan Morley
International Herald Tribune

LONDON — By the bad luck of the West End draw, a new and worthy but immensely dull Susan York "Hedda Gabler" has ended up at precisely the same theater, the cavernous Cambridge, which was a decade ago electrified by Maggie Smith in Ingmar Bergman's classic production of this same play. Try as one may, it is impossible to banish the echoes of that other "Hedda"; though there have been many since, some much worse than the current one and a few rather better, it is still the Bergman version that illuminated the manuscript and not only in that melodramatic moment when Hedda is actually burning it.

What we have here is a brisk, cool, but curiously undramatic cauterization of the text put together by Donald McWhinnie in a regional rep tradition of about the middle 1950s. York offers us neither Hedda the ice queen boring herself to death nor Hedda the demon lover luring Lovborg to his doom. Instead she glides through the drama as if on roller skates, central to the events around her, yet not of their making, so that the final suicide is no more than the social inconvenience complained of by Judge Brack in the curtain line.

This therefore becomes Brack's evening; in Tom Baker's sinister, manic turn it is he who holds center stage, be far more than Tom Bell's impetuous Lovborg whom one expects to see wearing the vine leaves in his hair, he who finally galvanizes this production into some sort of life. Inne Hand also does a remarkable scene or two as the old aunt, conceiving her as a sort of Norwegian Miss Marple on the prowl. Elsewhere the casting is fatally bland — this must be the first "Hedda" of recent times in which Tesman and Lovborg have been virtually interchangeable.

Meanwhile out in West Sussex, Patrick Garland's Chichester is es-

tablishing itself as the showbiz answer to Gynedebourne; two of last year's four shows were new musicals and this year we are already getting a return to "Valmouth," Sandy Wilson's long-lost classic of the late 1950s in its first stage revival. Classic in score, that is: No musical written in England in the 30 years that separate Coward's "Bitter Sweet" from Lionel Bart's "Oliver" has a more impressive sequence of numbers from the title song through "Magic Fingers" and "Big Best Shoes" all the way to the "Cathedral of Clemenza" and "I Will Miss You."

The trouble, now as during the original and all-too-brief London run 20 years ago, is of course the book; though the composer has brought in Cardinal Pirelli from an altogether different novel to boost the second half, plots were never Ronald Firbank's strongest suit, nor indeed, have they been Sandy Wilson's, as any synopsis of "The Boyfriend" might indicate.

What we get therefore are some marvelous characters and some superlative songs in search of a central focus; the dialogue, especially when spoken by Fenella Fielding, who is now so far over the top as to be almost out of sight, sounds like Evelyn Waugh rewritten by Oscar Wilde and you can't ask much more than that when dealing with high-camp Catholicism run riot.

But in treating it as a minor and eccentric spa opera that had best be left to sort itself out, John Dexter has failed to give the show the shape it needs if it is not to subside into a baroque shambles. The scenes involving Mrs. Hurstperpet and Mrs. Thoroughfare, for instance, need to be played as swiftly and precisely as the tea-party sequence in "Pygmalion"; if, as on the first night, they are played through a fog of uncertainty, and if Sir Robert Helpmann as the cardinal is so badly miked that he looks like a ventriloquist who has thrown his voice and failed to

get it back, then clearly there's a lot more rehearsing to be done. But when it is done, in there somewhere remains a magical entertainment.

"Valmouth" has many problems in terms of a new lease of London life, not least the fact that it is a big musical (a cast of 20, orchestra of six snuck up a palm tree) in need of a small theater. But Ronald Firbank himself was a master of the unlikely ("Order me," he once commanded Sewell Stokes while they were supposed to be having tea in a Lyons' Corner House, "herons' eggs whipped with wine into an amber foam") and it would be lovely if this unlikely of musicals, complete with Bertie Reading dressed like a driver-operated bus and Doris Hare as the 120-year-old Granny Tookie, could reach a mass audience. Where else in the world but in "Valmouth" do people amuse themselves by snacking the hermaphrodite?

To get back to a kind of reality, the Manchester Royal Exchange, (as part of its exchange program with the Milwaukee Repertory Company) is currently reviving Sidney Kingsley's "Detective Story," the play that did for New York cops much what "The Front Page" did for Chicago journalists. Thirty years after its first production, this long saga of cops and robbers, spread over three acts during a single night in a precinct somewhere downtown, looks both crowded and cumbersome; but it was here that every television crime show from "Naked City" through "Kojak" to "Starsky and Hutch" started, and for that reason alone the play is worth another look. Neither the director (John Dillon) nor the star (Daniel Mooney), who have come over from Milwaukee, seem at home with the circular surroundings of the Royal Exchange, however, and memories of the definitive Kirk Douglas movie are best forgotten.

Joe McNally, The New York Times

Susan Markowitz, 12

"We're just one world."

Joe McNally, The New York Times

Marc Auerbach, 14

"I'm optimistic."

A California Zinfandel

By Terry Roberts
New York Times Service

HEALDSBURG, Calif. — The vine stalks are old and gnarled, like the trunks of trees, some of them as thick as a man's thigh, and they date back to the turn of the century. They are brittle with age and sometimes crack when knipped by a picker. Because the vines are so old, the grapes yield only miserly amounts of juice, but it is very concentrated juice, and the wine that results is intensely rich and spicy, the quintessential zinfandel of California.

The vineyard consists of only 50 acres lying here in the Sonoma Valley, and it is the primary source

for the zinfandel grapes of the Lytton Springs Winery, a modern structure that stands among the vines and keeps winning prizes year after year for the high quality of its production.

Berry Quality

The Lytton Springs wines have what is called berry quality, meaning that the texture and intense flavor of individual grapes can almost be sensed in the mouth. The fruit is full and rich and generous, yet the wine is completely dry and tastes astringent when drunk too young, before it is four or five years old.

It is a style of zinfandel made less and less often in California these days, largely for economic reasons. Old vineyards are usually replanted with new vines yielding two or three times as much grape tonnage. Greater tonnage usually means lighter wines of less intensity and character.

Bura (Walt) Walters, a former Navy cook who is the wine maker and part owner of Lytton Springs, is committed to the old vines and their modest yields. "I tried making it with younger vines and you just don't get the complexity," he says in the drawl of his native Mississippi. "You get smoochy wines."

23 Years in Navy

Walters spent 23 years in the Navy. "I'm not an oenologist," he says. "I pray a lot and I lose a lot of sleep." Unlike many other modern wine makers, he did not study for an oenology degree at the University of California at Davis. "I went to a three-day seminar at Davis once," he says, "but mainly I listened to the old Italians around here. I kept my eyes and ears open and I learned."

He wears green work clothes and is tall, lean and weatherbeaten. Now 51, he did not make his first commercial wine until he was 45. The Lytton Springs 1975 won a bronze medal at the Sonoma Harvest Fair, "the first commercial wine I ever made," he says.

After retiring from the Navy in 1970, he joined with Richard Sherwin, a California businessman, and began planning the Lytton Springs operation. The vineyard was purchased in 1971 and the equipment for the winery was bought secondhand in Denver from a bankrupt producer in Denver.

Began Production in 1975

In 1975 they hauled some of the equipment up to the Vina Vista Vineyard in Geyserville, another Sonoma wine town, and began production of Lytton Springs wine there on a modest scale. Meanwhile, Ridge Vineyards was purchasing the bulk of the Lytton Springs grapes and using them to make its own wines.

Paul Draper, the Ridge wine maker, had built a reputation for making some of the best zinfandels in California and the Ridge bottlings bearing the Lytton Springs designation on their labels were sought by zinfandel devotees. The Ridge Lytton Springs 1974 was a classic.

"Paul Draper put us on the map," said Walters. Meanwhile, Walters was learning wine making at Vina Vista. He made 600 cases of wine there in 1975 and 822 cases in 1976.

A year later the winery at Lytton Springs had been completed. "I pulled my gear out, brought my equipment down here and was going full bore in '77," he says. The last Lytton Springs vintage bottled by Ridge was the 1976.

Last year the production of Lytton Springs Winery totaled 6,000 cases and this year there will be 7,000. The yield from the old vines is a meager one and a half tons of grapes an acre, compared with the five tons or more that other zinfandel vineyards typically produce.

"Of all large airlines Lufthansa operates the youngest fleet of planes."

Der Spiegel (Hamburg) 19.1.1981



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INSIGHTS

Reagan's Goals for Versailles Conference: Liberalization and Growth in World Trade

By Axel Krause

International Herald Tribune

PARIS — The Reagan administration will firmly press its allies at its conference in Versailles to make tangible progress on what it regards as a key ingredient of the West's economic recovery — trade liberalization.

This may prove to be one of Washington's most difficult tasks of persuasion during the behind-the-scenes negotiations at the economic conference, according to U.S. and West European analysts. The conference starts Friday.

The dilemma facing the administration is that the U.S. initiative occurs while the world's economic system is strained by stagnating industrial output, growing protectionism and controversy over the effectiveness of multilateral organizations.

The tensions are being exacerbated by acrimonious bickering between the United States, the European Economic Community and Japan over access to one another's markets.

Volume of Imports

Meanwhile, according to most government and private forecasts, the volume of world imports in all goods and services will probably not rise by more than about 3.5 percent during 1982, after having climbed by less than 1 percent last year.

"The present state of world trade is at its gloomiest since the war," said Sir Roy Denman, the EEC's director-general for external affairs.

In varying degrees, the 10 Common Market nations are mildly supportive or skeptical of the U.S. initiative, which will be presented during the meetings. Japan, another key participant, is noncommittal.

"Washington is determined to propose steps aimed at expanding trade in areas it regards as important — we are frankly skeptical about this being the moment, or the way, to get out of the present crisis," said a West European official who declined to be identified.

Emphasizing that EEC unemployment is approaching 11 million and that the community is running substantial and growing trade deficits with both the United States and Japan, the official noted that key member states — mainly France — are understandably cool to Washington's other major trade-related proposals, notably those affecting East-West trade.

The notable source of simmering transatlantic controversy — and emerging debate at Versailles — is the U.S. drive to tighten the terms of export credits to the Soviet Union.

"We expect to be talking quite a lot about trade at Versailles, and there should be some hard bargaining on these issues," said a senior EEC official, who also declined to be identified.

Setting the tone for the administration's approach to trading with non-Communist nations, President Reagan recently told several West European journalists in Washington that "you can't correct unemployment unless you correct the problems that have caused a virtually worldwide recession, and these have to do with trade, imports and exports."

More specifically, the administration will be seeking a commitment from its allies to renew their endorsement of the multilateral trading system and to pursue reduction of barriers in several key sectors: the fast-growing service industries, high technology and investments in foreign countries.

Each of these sectors are expanding swiftly, representing billions of dollars in annual turnover, and in each the United States is a leading force.

The administration is hoping that participants will strongly and formally back its proposals and agree to place them on the agenda of a ministerial meeting on trade being organized by the Geneva-based General Agreement on Tariffs and Trade in November.

Congressional Hearing

"We are desperately close to undoing the multilateral trading system, and either we improve it and strengthen its capacity to resolve problems or risk its deterioration," Robert D. Hormats, assistant secretary of state for economic and business affairs, said during a congressional hearing in Washington last week.

"The ministerial meeting of the GATT this fall is an historic opportunity to address the trade issues of the '80s," Mr. Hormats added.

Already a wide range of steps and studies are under way to prepare future liberalization of trade in goods and services. According to officials recently interviewed in Paris, Brussels, Geneva and Washington, these include the following:

- The Organization for Economic Cooperation and Development obtained approval at its annual ministerial meeting in Paris last month to accelerate detailed analyses of the obstacles to trade and investment in high technology, services, agriculture and other forms of restrictive business practices.

- The OECD strategy is to prepare the groundwork for the GATT ministerial meeting among its 24 members during the next few months. "We are still not sure how the Geneva meeting will work and the role of the developing nations, so we will keep the work here for the time being," a senior OECD official in Paris said.

- In Geneva, GATT officials are actively preparing the ministerial meeting scheduled for Nov. 22-26 in which many of its 87 member nations will participate. A draft statement of objectives and a tentative agenda will be circulated this summer, aiming at substantially reducing worldwide barriers to trade in goods and services.

- A strong push from the Versailles summit could have considerable, positive fallout for our ministerial meeting and trade liberalization generally," a senior GATT official said.

- Japan's latest effort to appease its Western trading partners with a package of tariff reductions and other measures designed to encourage imports is still being viewed with skepticism by senior U.S. and EEC officials. But officials regard the effort as politically significant, which will help ease pressures on Japan during the Versailles conference and beyond.

- The Japanese move is significant and will help establish momentum for others — we hope," said a senior U.S. official participating in the meetings.

- The International Chamber of Commerce in a statement issued Tuesday urged the participants to "put their collective political weight behind efforts" to strengthen the GATT and to avert what the chamber termed "a trade conflict that would jeopardize chances for world economic recovery."

- Both GATT and the International Chamber of Commerce have reported record numbers of cases of violations of long-established trading rules, and no easing of protectionist pressures.

is in sight, officials said. "The only really optimistic sign these days is that governments are intensifying their contacts and are talking more about solving trade problems," the GATT official said.

Not Equipped to Cope

Some independent economists believe that the multilateral agencies are not equipped to cope with growing protectionism, particularly trade barriers established domestically in the form of subsidies, tax advantages, discriminating testing procedures and other forms of what have been called "distortions — behind the borders."

"GATT, which is supposed to be the guardian of the trading system obviously is not able to cope effectively, and OECD apparently is being reduced to a role of study of reflection," said Albert Bressand, deputy director of the French Institute for International Relations.

Mr. Bressand, author of a report on the state of the world economy published by the institute last week, said that he was not particularly hopeful the Versailles conference would make significant headway on trade liberalization. "There apparently is little political will for an overall international strategy among the allies," he said.

West Germany's economics minister, Otto Lambdorski, is among those particularly troubled by what he recently termed "massive" promotion of international competitiveness of selected branches of industry. Although he and other officials hardly ever cite the countries they refer primarily to France's growing government financial support for its nationalized industries and to Japan's traditional aid to its industries.

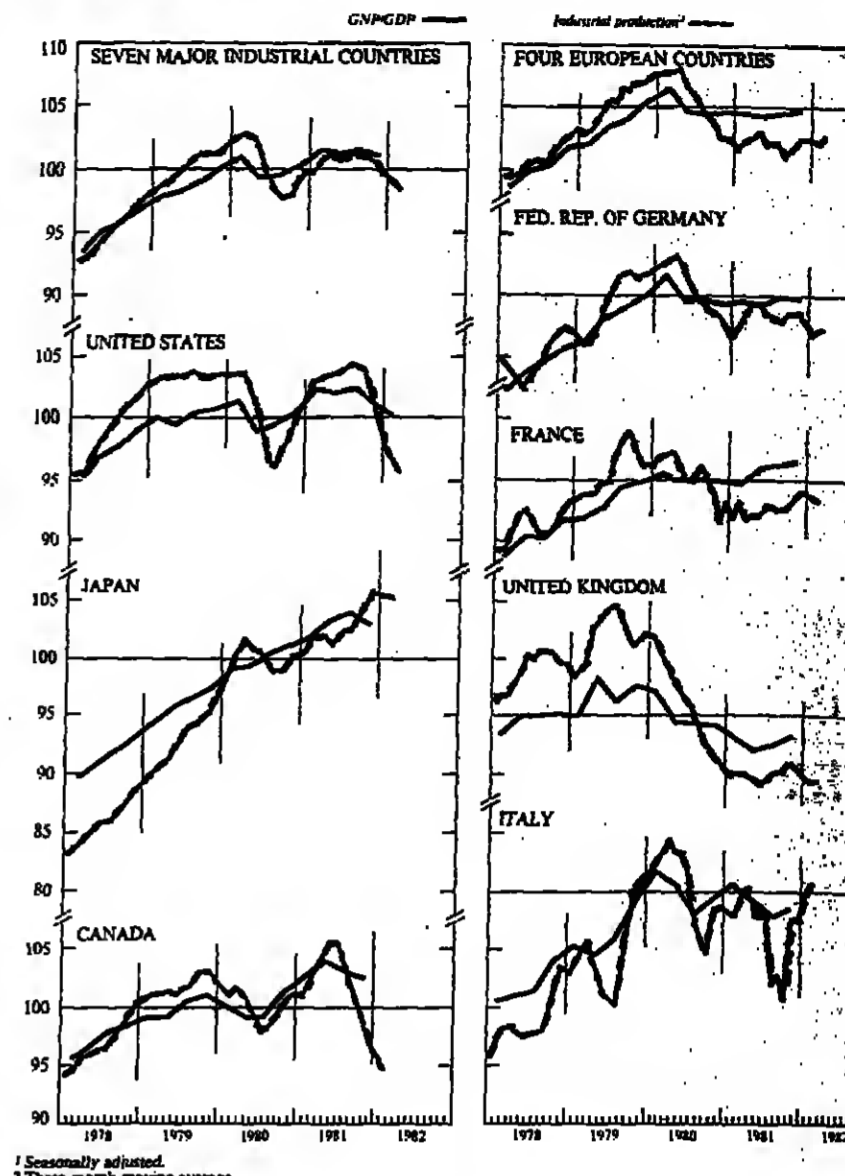
French Position

Such measures, Mr. Lambdorski recently told OECD economic ministers, "result in a very pronounced aggressive export strategy, and for this no longer constitutes fundamentally desirable competition in which companies attempt to boost their export performance."

France for its part has no intentions of being singled out as the only guilty party regarding protectionist behavior.

Major Industrial Countries: Real GNP and Industrial Production, 1978-March 1982

(Indices, 1980 = 100)



President Francois Mitterrand told a group of American reporters during a breakfast meeting at the Elysée Palace last Friday that he considered that "all countries are protectionist" and that he was counting on the participants at Versailles to "place all our cards on the table."

The French leader also indicated that he had no intention of supporting proposals aimed at reforming the multilateral trading system. What the conference needs to accomplish, Mr. Mitterrand suggested, is "not to rebuild the architecture, but to restore the architecture we have."

Secrecy and Splendor Reign as Sun King's Château Is Prepared for Summit

By Mary Blume

International Herald Tribune

PARIS — The Château de Versailles, a building so extravagant that on his deathbed Louis XIV begged his heir not to follow his elaborate example, was chosen over 18 sites in France for the setting of the summit conference on world economic problems.

Versailles reflects France's preferred image of itself, a present-day official said, and on the practical side it is easy to close off the château and its grounds, it is close to Paris and it costs less than the other places that were suggested.

While no cost figures have been made public, French officials have ridiculed published reports that they are the franc equivalent of at least \$11 million and perhaps \$13 million — although observers tend to believe the reports. Official spokesmen said that the Versailles conference will cost less than those at Venice and Ottawa, in which about the same number of people were involved. "It will cost less because we are using only administration personnel and resources without calling in private companies as they did at Ottawa and Venice."

All heads of state will stay at the Grand Trianon at Versailles, with delegation leaders at the nearby Trianon Palace Hotel. The Grand Trianon, in pink marble and stone, was designed by Mansart for Louis XIV. Its furniture was dispersed during the Revolution and it was refurbished by Napoleon. It was restored in 1965 by De Gaulle to receive visiting heads of state, and its Empire interior is quite ugly, at the same time rigid and gaudy. It has in one wing 32 rooms that can be used as private quarters and so there were no problems in accommodating the eight top representatives, each of whom will have a four-room suite. At least one bathroom had to be added, although others have reportedly been refurbished. In the drawer of each bedroom's night table will be a luxurious bound book about Socialist France.

The conference, which will begin with a working dinner on Friday, will end with a gala dinner on Sunday in the Galerie des Glaces, where the Versailles Treaty was signed on June 28, 1919. (The sign commemorating the ceremony during which Germany was presented with the conditions of the Versailles Treaty has been taken down so as not to offend the Bonn delegation.) Most details of diversions planned for this and other dinners are still secret.

The cooking for the heads of state will be done by four young *nouvelle cuisine* chefs, including two well-known for their restaurants in the Paris area, Gerard Pagnaud and Michel Pasquet; the other two are Jean Bardet and Marcel Thomas, from the provinces. They will prepare all the meals together, with their 25 helpers. The president's office has asked that the menus be kept secret, recommending only that they use French regional products and avoid certain fish and such delicacies as snails and frogs.

The meals will in fact be prepared at Mr. Pagnaud's restaurant in Boulogne-Billancourt, and will be reheated at Versailles, where a makeshift kitchen has been installed near the Galerie des Glaces. Caterers will feed the delegation and the press. Other scheduled entertainments include an opera, a song recital and a fireworks display on Sunday that is expected to be shown on international television.

The actual summit meeting will be held in the Salle du Sacre (Coronation Room), decorated with paintings by David and portraits of Napoleon. Details of special furnishings for the summit are yet another secret. Luncheon for the heads of delegations will be held in the Salon de la Paix, which has a painting of Louis XIV bringing peace to Europe. Members of delegations will eat in the Galerie des Batailles, decorated with 33 paintings representing French victories. The Galerie des Batailles is in the south wing, where the delegations will be doing their work while the conference is held in the central part of the château.

The south wing was badly damaged by a Breton separatist's bomb in 1978 that destroyed a number of rooms. Restoration was hastened for the summit meeting, as was the entire restoration program for the parts of the château visible to dignitaries. The château staff is said to be very pleased to get work done in months rather than years. Pierre Lemoine, the curator of Versailles, said, "We simply accelerated the restoration program decided in 1978 under which Versailles was given 200 million francs." Presumably this makes up for the fact, loudly protested by neighboring merchants and others dependent on the tourist trade, that the château and grounds were closed to the public on May 24 and will remain off-limits until Monday. (Overhead airspace has also been closed, with anti-aircraft weapons and interceptors standing by.)

In the south wing, offices for each delegation have been set up under huge, freshly varnished paintings of Napoleonic battles and treaty talks. Plastic-topped desks and fluorescent tubes have been installed. While separated from the actual conference, delegations will be in close electronic touch. The French are very proud that the highly advanced communications systems they have set up are all French and did not necessitate digging up grounds. The system includes a memory bank for journalists so that if they want to know, for example, about French-Japanese trade agreements since 1922, they need only push a button to get the answer on a screen.

Press Area

The journalists — about 2,000 are expected to work in the Orangery from which 1,300 orange, palm and pomegranate trees have been displaced (actually, since the time of Louis XIV they always come out of doors on May

15). Under the beautiful vaulted ceilings, battlement gray partitions have been erected to serve as offices, editing rooms and television centers. The press center will be open 24 hours a day and even has an Air France ticket office. The heads of state will arrive by helicopter, which will land near the axis of the grand canal and the Apollo basin, where a podium that can hold 150 people will be raised. Each chief will have an official reception in the court of the Grand Trianon with music from the Grand Republic and a brief chat with President Francois Mitterrand. The great fountains will be playing when the chiefs land, although not at their full height, as that would obscure the view of the château.

French officials seem to have chosen the château space to be used very shrewdly, selecting the less valuable parts except for the gala in the Galerie des Glaces. Heads of delegations will walk past Marie-Antoinette's bed — which she abandoned in some haste on Oct. 6, 1789 — on their way to luncheon in the Salon de la Paix, but for the most part they will be using later and less fragile parts of the buildings, which are, however, full of the requisite sumptuousness and pomp.

'Silent Spring': Its Warning on Pollution Is Still Echoing After 20 Years

By Philip M. Boffey

New York Times Service

NEW YORK — Twenty years since Rachel Carson's "Silent Spring" first warned against the environmental and health damage caused by chemical pesticides. In the years since, her book has often been cited as perhaps the most influential single factor in creating public concern about the future of the world's ecology. It was Rachel Carson, many people agree, who initiated the modern environmental movement.

And the practical impact in some important areas was as well. Her concerns about the deadly effects on animals of DDT and other so-called persistent pesticides, for example, became public concerns. And this public attitude eventually led the federal government to establish the Environmental Protection Agency and stricter governmental regulation of pesticides, including partial bans on some of the most controversial chemicals. Among the positive results have been a shift away from persistent chemicals, which remain in the environment for years; a reduction in pesticide residues found in the human body; the recovery of some endangered species; and a lessening of pesticide residues in air, water and soil.

Nevertheless, environmentalists and pesticide advocates alike now believe that "Silent Spring," despite its broad importance to the environmental movement, on balance, has had only limited influence in the area of its chief concern — pesticides, which include insecticides, herbicides and other chemical pest killers. Although there have been important changes in the kinds of chemicals used, the total volume of pesticides used in the United States has continued to soar, unabated.

More Than Ever

"We're treating more acres and using more pesticides than ever before," says David Pimentel, a professor of entomology and agricultural sciences at Cornell University and a longtime foe of the overuse of chemicals. "Even after Rachel Carson, we haven't gained a whole lot."

"Agriculture goes on being increasingly chemicalized," agrees Boiste E. Day, professor emeritus of plant physiology at the University of California's Berkeley campus and a leading proponent of herbicides, "because fundamentally, agriculture is a chemical business, and no diatribe will change it. That's just the way it is."

Miss Carson's book caused a sensation when major excerpts were published in The New Yorker magazine in June, 1962, and when the full text was published the following fall. It was warmly praised for its sensitive portrayal of the capacity of man to disrupt nature, and it was bitterly attacked as an emotional tirade against beneficial chemicals.

Miss Carson's major theme was that pests must be treated as part of a natural balance in which various life forms help keep each other in check. By indiscriminately spraying chemi-

cals hither and yon, she warned, the pest controllers were inadvertently destroying beneficial insects and, as the poisons concentrated and magnified in the food chain, many were killing birds and fish and other wildlife as well.

Often the result was worse, she said, than the original problem — the target pests developed resistance to the chemicals and with their natural enemies wiped out, returned to proliferate out of control. Miss Carson concentrated her fire primarily on insecticides, the predominant pesticides of her day, but also expressed concern about herbicides, the weed killers that were coming into increasing use.

She was particularly worried about the so-called persistent or "hard" pesticides that remain active in the environment for years and that were already invading the issues of virtually all Americans, with health consequences that could not be foreseen. She especially favored biological controls — the use of predators, diseases and sterilizers to attack insect pests — on the grounds that such controls are often more effective and more selective in their action than are chemicals.

Some scientists believe that her book, a deliberately one-sided polemic that had few good words for pesticides, has had a destructive impact. They believe that "Silent Spring" raised

exaggerated fears about chemicals that are crucial in producing food and fiber and whose side effects are not all that drastic. Norman E. Borlaug, winner of the Nobel Peace Prize for his work in developing new strains of wheat, once blamed the "best-selling, half-scientific, half-fiction novel 'Silent Spring' for investigating a 'vicious, hysterical propaganda campaign against the use of agricultural chemicals.'"

However, other pest-control experts consider Miss Carson clairvoyant. "I don't see much she said that hasn't come to pass in one way or another," said Robert L. Metcalf, professor of entomology at the University of Illinois, a past president of the Entomological Society of America.

"She was very much concerned about the lack of selectivity in pesticides," he said, "and that's just about as great a problem today as in 1962. She talked about the need for biological controls and about better ways of sharing the Earth with natural creatures, and that problem persists today. She warned about insects becoming resistant to chemicals, and now more than 400 species of pests are resistant to one or more pesticides."

If Miss Carson was upset at the volume of pesticides spread over the American landscape

in the early 1960s, she would be appalled at the quantities used today. Production of synthetic organic pesticides in the United States has doubled in the last two decades — from 730 million pounds of active ingredients in 1962 to almost 1.5 billion pounds in 1980 — reflecting increases in both domestic use and exports.

Within that total, the quantity of insecticides, Miss Carson's chief concern, has grown only slightly, and fungicide production has leveled off, too. But there has been an explosive growth in production and use of herbicides. Farmers and land managers have found that chemicals are the cheapest and easiest way to get rid of unwanted vegetation. And the widespread adoption of "no till" farming to halt erosion has required herbicides to kill weeds that would otherwise be eliminated by plowing.

By one count, the area doused with herbicides in the United States jumped to 250 million acres in 1977 from 71 million acres in 1962. Herbicides now comprise the bulk of all pesticides used in the country, and experts expect the quantities to keep growing.

Opinions differ on whether herbicides pose a greater or lesser danger than the insecticides that predominated in Miss Carson's day. Some

environmentalists expect herbicides to become as big a health and environmental issue in the 1980s as insecticides were in the 1960s and 1970s. They view the controversy over Agent Orange, a mixture of chemicals used to defoliate jungles in Vietnam, as a harbinger of future battles over herbicides.

But others consider herbicides more benign than insecticides because most dissipate quickly and, while lethal to plants, are often harmless to humans, who have an entirely different biochemical mechanism. Boric acid, for example, kills vegetation but soothes the human eye. The effect seems to be random. Some herbicides are toxic to animals, others are not. The long-term health hazards of herbicides remain in dispute.

One trend that would please Miss Carson is a shift away from the use of long-lasting chemicals toward those that dissipate more quickly in the environment. The shift has come about partly because the persistent pesticides were running into problems of insect resistance, and partly because of regulatory crackdowns and court actions. Many of the chemical "elixirs of death" that Miss Carson most deplored — such as DDT, chlordane, heptachlor, dieldrin and aldrin — have been banned.

These changing pesticide patterns have led to a perceptible improvement in various indicators of environmental contamination and human health.

Frederick W. Kutz, who heads pesticide monitoring programs for the Environmental Protection Agency, said that pesticide residues found in shell and fin fish, air, water, soil and food all showed signs of diminishing during the 1970s. Even Mr. Fimentel, the Cornell critic of chemical abuses, considers the environmental gains "a real accomplishment" and a boon to wildlife that was threatened with extinction. "It looks like the peregrine falcon, the eagle and other birds are doing better than in the past," he says.

Shirley A. Briggs, a friend and colleague of Miss Carson who is executive director of the Rachel Carson Council, also rejoices that the banning of DDT from agricultural uses "has already enabled highly susceptible species, including the brown pelican and the bald eagle, to make some gains back from threatened extinction."

The most important health indicator — the body burden of pesticides found in the average American — has also registered improvement. Traces of pesticides are still found in the fatty tissue of virtually all Americans tested, but the average amount found has been decreasing, largely because the younger age groups have experienced less exposure to the persistent pesticides that are being phased out. The biggest decline has been registered by DDT, but EPA officials report a perceptible drop during the 1970s in essentially all other pesticides measured in human fatty tissue as well.

Significance in Dispute

The health significance of this body burden remains in dispute. The view espoused by Rachel Carson and by many environmentalists today is that the pesticide residues are bound to be harmful.

Lewis Regenstein, vice president of the Fund for Animals and author of a new book on chemical hazards, said in an interview: "On the 20th anniversary of 'Silent Spring,' pesticides and other deadly chemicals remain a greater threat than ever. We're in the midst of a cancer epidemic, a lot of it associated with toxic chemicals. Pesticides are certainly a major factor."

But an emerging consensus of cancer experts holds that there is, in fact, nothing approaching a cancer epidemic yet visible and little evidence that the explosive growth in synthetic organic chemicals is a major factor in cancer.

Environmental scientists still find two health trends worrisome. Pesticide residues continue to show up in wells at various points around the nation, suggesting to some that there may be a long-term hazard from contamination of drinking water. And the environmental improvement from curbing persistent pesticides has been gained at the expense of introducing a more immediate hazard. The nonpersistent pesticides that have been substituted are more acutely toxic and pose a greater immediate health risk to the farmworkers and others who apply them.

Rachel Carson: From Lyrical to Polemical

By Bayard Webster

New York Times Service

NEW YORK — She once told a friend that in the next life she wanted to be reincarnated as a tern, the swift and graceful bird that epitomized the wildlife and ocean shore she loved so well. And it was this concern for the world of nature that eventually led Rachel Carson to draft the often bitter landmark work, "Silent Spring."

A well-documented study of the dire environmental consequences that could result from the overuse of synthetic organic pesticides, "Silent Spring" created a controversy that is still flaring.

The woman who created both the controversy and the crusade was a retiring person who was described by her publisher as "a trained scientist with a poet's wonder."

Rachel Louise Carson, who died in 1964, just two years after the publication of "Silent Spring," was born on May 27, 1907, in Springdale, Pa., a town far from the ocean. But from the time she could read the poetry of John Massfield, she was entranced by the sea and the world of nature. "Ever since childhood I've been fascinated by the sea, and my mind has stored up everything I've ever learned about it," she said in an interview in 1962.

In Springdale she was raised by her mother, who took her daughter for explorations in the nearby woods as soon as the

child was old enough to walk. Her mother is credited with teaching her as a tiny child the joy of the out-of-doors and the lore of the creatures of the streams and ponds near her home. Soon the daughter came to have a respect for nature that became the hallmark of her later work and writings.

After graduating from high school, Miss Carson enrolled in the Pennsylvania College for Women in Pittsburgh, planning to become a writer. Her plans took a fateful twist when she became fascinated by biology and switched her major from English composition.

After graduating from college she entered Johns Hopkins University in Baltimore, supplementing her postgraduate studies with research at the Marine Biological Laboratory in Woods Hole, Mass., where she learned about the sea at first hand. She wrote her thesis on the embryonic development of catfish and received her master's degree in biology from Johns Hopkins.

After teaching biology at Johns Hopkins and the University of Maryland, Miss Carson joined the U.S. Fish and Wildlife Service as a marine biologist. She later became editor in chief for the service's publications, enabling her finally to blend biology and writing.

In 1937 she wrote an essay on marine life for the Atlantic. It was so well received that she was encouraged to write her first book, "Under the Sea Wind." She wrote "The Sea

Around Us" in 1951. That masterpiece of lyrical scientific writing became a best seller and was reprinted in 30 languages. Now that she was famous as a writer-scientist, her next book would be the highly praised work, "The Edge of the Sea."

It was World War II that transformed her voice from the lyrical to the polemical. Her research for the government during the war had shown her the dangers of many newly developed toxic chemicals. And when a friend in New England wrote that spraying programs for mosquitoes and gypsy moths had wiped out bird populations in a wildlife sanctuary, Miss Carson was moved to write the book that would be her most powerful.

For six years, Miss Carson interviewed scientists, communicated with scores of others in many parts of the world, and worked on her manuscript. Although "Silent Spring" inspired a yearlong series of attacks led by chemical companies, after months of study the President's Science Advisory Committee published a formal report that backed its main points.

It affirmed Miss Carson's warning that pesticides were silencing many life forms and also noted that her book was the only popular source of dependable information on the impact of such chemicals.

Miss Carson, who never married, lived in Silver Spring, Md., and summered in a cottage on the Maine coast. She died of cancer on April 14, 1964, at the age of 56.



Rachel Carson in 1963.

BUSINESS BRIEFS

Bond Sells Most of Santos Holdings

SYDNEY — Bond Corp. Holdings, the diversified Australian mining and energy group, said Wednesday it had sold most of its 14.7-percent interest in Santos to the National Mutual Life Association of Australasia for 136.8 million Australian dollars (\$142.26 million).

The chairman, Alex Bond, said his firm retained 1.37 percent of the Cooper Basin oil and gas producer, selling 13.33 percent to National Mutual. With its previous holding, National Mutual now holds 14.99 percent of Santos, just under the 15-percent maximum for each shareholding allowable under South Australian state law.

The Santos agreement follows the sale Tuesday by Bond to National Mutual of its interests in two other Cooper Basin energy companies, Reef Oil and Basin Oil. National Mutual has announced takeover offers for those companies. Bond said the transactions yielded it 188.5 million dollars and will result in a profit of about 89 million dollars.

GM Suspends Plans for Battery Car

DETROIT — General Motors says it is indefinitely delaying introduction of a battery-powered passenger car.

Stabilizing gasoline prices and technical problems in developing a long-life battery make introduction of such cars unfeasible in the next five or six years, Alex Mair, vice president in charge of technical staffs, said Tuesday. He added that GM will resume efforts to introduce the electric car if gasoline prices increase markedly.

GM originally had set 1985 as the target date for introducing an electric car. Chrysler has abandoned its electric vehicle research to save money while Ford's work with electric cars remains in the experimental stage.

Consortium Offers DeLorean Plan

BELFAST — A British consortium has made a constructive proposal for taking over DeLorean Motor's Belfast plant, and full production could resume there, company receiver Sir Kenneth Cork said Wednesday.

Sir Kenneth, here after talks with representatives of the consortium in London Tuesday, told Belfast Radio that the plan offered hope that the firm, which stopped production last week, may survive and that all 2,500 jobs might be restored. He did not name the consortium.

But he said a return to full production will have to be preceded by the sale of the 4,000 gull-winged sports cars that are now stockpiled. He said he plans to go to the United States for talks with the company's chairman, John Z. DeLorean, on arrangements for distributing the car in the United States.

Grand Union to Renovate Markets

ELMWOOD PARK, N.J. — Grand Union plans to spend \$700 million over the next six years, including \$120 million in the year ending in March, to renovate and enlarge supermarkets into "full-service food markets."

The company, a subsidiary of Générale Occidentale, said Tuesday that a three-year experiment with the full-service concept has proved extremely successful. It said that in the 53-week period that ended in April the company had closed 150 supermarkets at a cost of \$8.24 million.

Harvester Offers Hydraulic Firm

CHICAGO — International Harvester has offered to sell a subsidiary, Victor Fluid Power, a manufacturer of hydraulic cylinders and control valves. The asking price was not disclosed.

The proposed sale includes Iowa Industrial Hydraulics, located in Potosi, Iowa, it operates under the trade name of Victor Fluid Power-Iowa.

Victor Fluid Power builds hydraulic equipment for diversified uses, including agriculture, construction, mining and snow removal. The equipment is sold to original equipment manufacturers as well as International Harvester. Total annual sales of the combined operations are more than \$32 million.

Compiled From Agency Dispatches

Target of Mesa's Bid: Cities Service's Land

By Eric Pace
New York Times Service

NEW YORK — Mesa Petroleum has long enjoyed a reputation for unusual success in the tricky business of exploring for oil and gas. If successful in its bid for Cities Service, it will have a lot more acres on which to carry on the search.

For the undeveloped acreage to which the little-known independent oil and gas producer can lay claim in the United States is dwarfed by the land held by Cities Service.

That acreage, according to analysts, is the main attraction for Mesa, whose chairman, T. Boone Pickens Jr., said Tuesday that the company's \$3.8-billion offer had been rebuffed by Cities Service.

Mr. Pickens is the driving spirit behind Mesa, the analyst says, and it has been his entrepreneurial Texas, company solidly profitable while showing a flair for financial innovation.

Last year, Mesa, which is modest-sized by oil industry standards, reported net income of \$115 million, or \$15.44 a share, on revenue of \$407.7 million. In contrast, the far larger Cities Service, based in Tulsa, Okla., showed a loss of \$49.2 million for 1981, after discontinuing its plastics business, which entailed a \$290-million after-tax charge. Its 1981 revenue was \$6.56 billion.

"Right Kind of People"

Mr. Pickens' success at overseeing exploration operations lies in "having the right kind of people, having confidence in those people, and, at his level, having the ability to make the right decisions," said Francis J. Reinhardt Jr., a partner in Carl H. Forzheimer & Co., an investment firm.

The Mesa chairman "thinks like an owner instead of a bureaucrat," said Elyse Seronoff, chief executive of the Houston-based investment advisory firm that bears his name. "He's got running Mesa for the sake of running it; he wants profits for the shareholders."

Mr. Pickens himself is a substantial shareholder, owning or controlling 1.9 percent of Mesa's 66.8 million shares outstanding and holding options on a great deal more. So great are his claims on Mesa stock that he has been criticized for availing himself of overgenerous executive perquisites.

A geologist by training, Mr. Pickens has been running Mesa strictly as an exploration and producing company without marketing and refining operations of its own. Under his guidance, Mesa was relatively early, among independents, to explore the Gulf of Mexico. It has also been active in the Rocky Mountains, Oklahoma and Kansas, among other places.

Worried Voest Seeks to Widen Product Range

By John Tagliabue
New York Times Service

LINZ, Austria — Voest-Alpine, the state-owned steelmaker that is Austria's biggest corporation, has traditionally depended for growth on the country's strong technical base, low inflation rate and labor peace.

Methodically, it exploited those central European strengths to utilize energy and raw materials from Eastern Europe and to ship its products and skills around the world.

Then came the oil shocks of 1973-74, and Voest began to look beyond steel for lines of business that could help it withstand recession and soaring energy costs.

In 1980, overcapacity and collapsing prices caused Europe's worst postwar steel crisis, the company also began to have second thoughts about its ties to Eastern Europe, which in good years accounted for 30 percent of sales. The doubts began to emerge as a series of financial problems shook Poland and Rumania, two of Voest's best customers.

Now, among Voest-Alpine executives, there is a sense of urgency that the company must further broaden its product range and geographical customer base, or risk collapsing from a slow hemorrhage of capital.

"The amount of steel we produce stays roughly the same," said Herbert Apfalter, Voest's 57-year-old chairman, who is widely credited with engineering the company's transformation from a classic steel company to a diversified industrial group. "But our other products must move more forcefully into the foreground," he said.

In 1975, he said, about 55 percent of Voest-Alpine's revenues were generated by steel. Now, at a production level of about 4.3 million metric tons a year, steel accounts for about one-third of revenues. The slack was taken up by diversifying into a variety of products, including sophisticated stainless steel goods, industrial plants, machinery, ships and engineering services.

"We're seeking new directions," Mr. Apfalter said. "We're looking carefully, but there aren't

many blue chips left. If we wait longer, though, the losses can only grow."

Analysts note that Voest's need to borrow in order to expand has gotten the firm into a vicious circle of higher interest costs and deepening losses. The company's loss last year amounted to \$61 million on revenues of \$5.4 billion, forcing the government to step in with \$148 million in aid.

Austria created Voest-Alpine in the mid-1970s by merging several state-owned steel and industrial companies it had nationalized after World War II to keep them out of the hands of the Soviet Union, one of the occupying powers in postwar Austria. Voest employs nearly 76,000 persons, about 36,000 of them outside Austria.

Some of Voest's diversification was predictable, such as expanding into plant building, obvious for a maker of steel and machinery, or pushing specialty steel products.

But Voest also sought to solve its raw materials and energy problem by acquiring a stake in the Virginia Crews Coal Co., in Premier, W. Va., and buying a share in a chromite mining operation in the Philippines.

Poland's Creditors Seeking Progress in Talks

By Stephen Jukes
Reuters

FRANKFURT — Poland's Western creditor banks will meet in London in two weeks amid signs of mounting pressure for progress toward rescheduling the commercial debt the country owes this year.

Banking sources said Wednesday the 13 main banks involved in deferring repayment of Poland's debt will probably use the London meeting to air complaints from some of the 501 creditor banks that talks have been moving too slowly.

So far Poland has repaid hardly any of the \$2.5 billion of principal and \$2 billion in interest due to the banks this year.

Agreement was reached in Frankfurt on April 6 to reschedule \$2.4 billion of commercial debt due last year, but since then discussions have been mainly between Polish officials and individual banks.

Banks would prefer to follow the lead of Western governments in discussing rescheduling, but the governments, owed about \$12 billion by Poland, refuse to negotiate as a protest against the imposition of martial law.

Some sources said the London meeting could press for an interim formula in the absence of any concrete rescheduling plan from the Polish side.

One source said there was a growing fear that some banks might try to arrange separate deals to delay repayment of funds due this year.

But the 13 main banks, the so-called national agent banks, are

Stock Prices on NYSE Move Slightly Higher

From Agency Dispatches

NEW YORK — Prices on the New York Stock Exchange posted a modest gain after a day of lackluster trading Wednesday, and analysts attributed the upturn primarily to technical factors.

The Dow Jones industrial average moved in a narrow range all day before closing with a gain of 1.91 points at 816.58. Advances led declines by around 750 to 640, and volume rose to 49 million shares from the 41.65 million traded Tuesday.

Analysts said they had expected some bargain buying because the Dow average had dropped 54.23 points over the past 16 sessions.

Also, some traders were replacing borrowed shares they sold earlier at higher prices and that tended to stabilize the market's severe drop in recent sessions. No one, however, expected that trend to last.

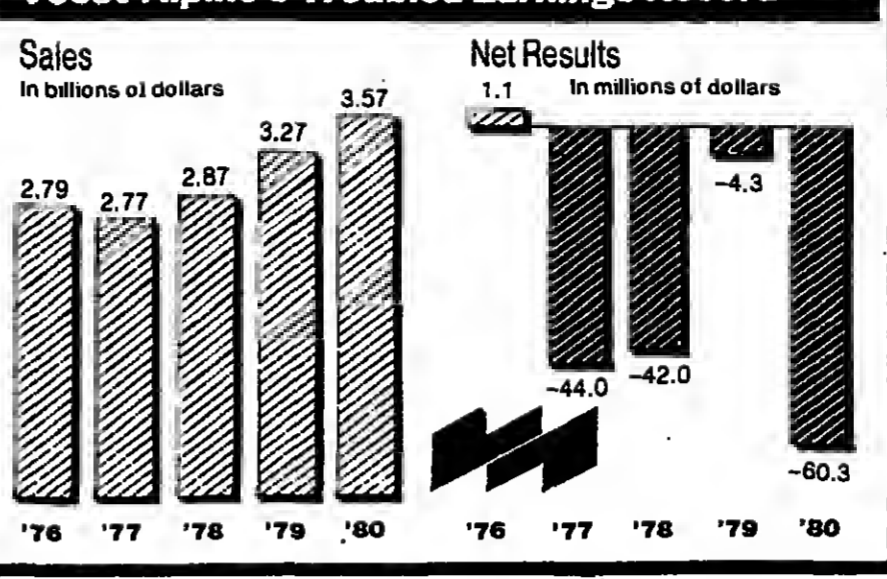
There were many obstacles in the way of a major market move. Judging by various published reports, there is growing concern the economic recovery will not get underway this year because the persistent recession has shown no signs of ending.

The government said new homes in April sold at a record-low annual rate of 315,000, down 15.3 percent from those in March. Also, construction spending dropped 0.6 percent.

U.S. factory orders fell 2.3 percent in April, after a revised increase of 0.3 percent in March, the Commerce Department said.

Many investors have been disturbed interest rates have not fall-

Voest-Alpine's Troubled Earnings Record



The New York Times

Canada Launches Eurobond Issue Of \$750 Million

From Agency Dispatches

LONDON — The government of Canada, forced in recent weeks to intervene heavily on foreign exchange markets to defend its currency, Wednesday announced that it would float a \$750-million Eurobond.

The issue is the largest Eurobond ever. Combined with a \$150-million bond announced Wednesday for a finance subsidiary of the West German chemical giant Bayer, it was more than the market could digest, and Eurobond prices fell sharply.

The Canadian borrowing, which market sources said was the first time the federal government had entered the Eurobond market, is being led by Deutsche Bank and Credit Suisse-First Boston. It carries a coupon of 14 percent and is priced at par, they said.

The Canadian Finance Department said in Ottawa that proceeds from the bond will be added to the country's general reserves, which have been drawn on to fend off a strengthening U.S. dollar.

Standby Borrowing

The department earlier in the day had announced that Canadian foreign reserves fell \$651 million in May to \$2.87 billion.

The total fall was \$951 million, taking into account a drawdown of \$300 million from a standby credit facility of \$3 billion with Canadian banks.

The department said, however, that there were no net drawdowns from a \$3.5-billion credit line with U.S. and other foreign banks. Outstanding borrowings on this facility total \$500 million. There had been speculation among traders that Canada had drawn further on this credit line as well in May.

Traders said that the drawdown on standby facilities and the decrease in reserves were the result of May's intervention by the Bank of Canada to defend the Canadian dollar on foreign exchange markets.

On Wednesday, the Canadian dollar fell to its lowest level ever, touching 79.93 cents in before recovering to 80.23 cents.

In premarket London trading, the new Canadian Eurobond was quoted at a discount of 98 1/2, but

U.S. Panel Gives Opinion on Steel

Reuters

WASHINGTON — The U.S. International Trade Commission, in a preliminary ruling, found Wednesday that various steel products imported from West Germany and Spain are harming the U.S. steel industry.

The ruling, the result of an ITC vote at an open meeting, has the effect of continuing investigations by the Commerce Department and the ITC into complaints filed by U.S. steelmakers.

The Commerce Department is trying to determine if, to the detriment of U.S. steelmakers, steel imports are being dumped in the United States or subsidized by foreign governments. Final decisions, which could result in duties being imposed on the imports, are expected later this summer.

Face the facts.

NMB Bank's key figures as at December 31, 1981 (in millions of Dutch guilders - 1 US\$ = Dfl. 2.47).

Balance sheet total	Dfl. 55,513
Total deposits	Dfl. 52,383
Debtors	Dfl. 32,100
Total shareholders' equity and subordinated loans	Dfl. 2,163

Some highlights from our 1981 Annual Report (54th financial year):

- The combined balance sheet total increased in 1981 by 16% to more than Dfl. 55 billion.
- Debtors increased by 12% to more than Dfl. 32 billion from Dfl. 28.661 billion at the end of 1980. This increase is largely attributable to the growth of our foreign loan portfolio.
- As part of our branch office programme, a number of NMB branches were opened in 1981. The total number of NMB branches at home and abroad amounted to 481 at the end of the year, with employees totalling 10,918.
- NMB Bank has subsidiaries and branches in Paris, Zürich, Geneva, Curaçao, New York, London and Representative Offices in Caracas, Mexico City, São Paulo, Hong Kong, Singapore and Bahrain.
- As a member of the Inter-Alpha Group of Banks, we have a joint representative office in Tokyo.
- Revenue from stock exchange business again showed an even greater percentage rise than overall stock exchange turnover.

• Eurodeposits accounted for 18% of the combined balance sheet total.

If you wish to receive our 1981 Annual Report please contact our nearest NMB Bank office or NMB Bank Amsterdam, P.O. Box 1800, telex 11402.

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NMB Bank Amsterdam. For eurodeposits and foreign exchange: telephone: 3120-5433184, telex: 14216 a nmba nl. For foreign banknotes, gold and coin: telephone: 3120-5432530, telex: 14034 nmbno nl. For securities transactions and issues: telephone: 3120-5432985, telex: 12009 nmb s nl.

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Jobless Level Shows Fall in W. Germany

By Thomas W. Lippman
Washington Post Service

WASHINGTON — Buffeted by depressed sales and the soaring costs of creating the new products demanded by a volatile industry, several major U.S. computer and semiconductor companies are developing a program of joint research and development.

According to some analysts, this is part of an effort to band together to stand up to the giants of the industry, such as International Business Machines, and to Japanese manufacturers.

The impetus for the plan came from William Morris, chairman of Control Data, who organized a meeting of 15 chief executive officers in Florida in February to examine its feasibility.

Control Data officials and other sources in the industry said the discussions still are preliminary and that no firm plan has been developed, but the first step probably will be creating a joint venture to sponsor high-technology research in universities.

At the most recent meeting of the study group, held in Denver three weeks ago, participants agreed on the "need to stay competitive and therefore to stimulate research and engineering in computer science and semiconductor technology," according to a spokesman for Digital Equipment, one of the participants.

Computer science and semiconductor technology are becoming more closely related as computers incorporate more sophisticated electronic memory chips and semiconductor makers use computers to design new products, so the overlap of interests is clear, he said.

William Shaffer, a spokesman for Control Data, said the participants in the exploratory meetings include such giants as Rockwell International, Xerox, United Technologies, Sperry, Burroughs, NCR, Honeywell, and Motorola, in addition to Digital and Control Data.

"They all agree on the need to maximize the value" of their research and development dollars, he said. Given the availability of capital and talent and the pressure to shorten development cycles, and the exploding range of individual technologies that have to be pursued in depth, joint research and development can "save time, money and recruiting expense," he said.

The prospect of cooperative product development among competing companies raises obvious antitrust questions. Mr. Shaffer said federal antitrust officials had been informed of the discussions, but "we are in no way in a position yet to request Justice Department approval. We expect to be able to draft a proposal by the end of the summer."

A senior antitrust official at the Justice Department said there is "no absolute reason why we should oppose this. The policy of the department is that there are circumstances where joint research activities are permissible and promote efficiency."

"I don't think the antitrust issue is a concern any longer, given the concern about competition from Japan Inc.," said Harry Edelson, an industry analyst at First Boston Corp. He and other analysts said that computer and electronics companies already are linked in several jointly owned ventures and subsidiaries, none of which has raised antitrust complaints from the government.

Control Data, for example, shares with Honeywell the ownership of Magnetic Peripherals, which makes devices to store and print computer data.

Any proposal for joint R-and-D work would present thorny operational problems, such as what work should be done, by whom, and in what laboratories; who would benefit from any patentable results; and whether the research effort should concentrate on techniques and processes or on specific products, such as random access memory chips, in which Japan is dominating the market. Joint sponsorship of work in universities could bypass some of those problems as well as the antitrust issue, industry officials said.

IBM, the giant of the computer industry and a longtime rival of Control Data, is not participating in the talks.

Ulric Weil, an analyst with Morgan Stanley, said that Control Data "is part of a group of companies, including Sperry Univac and Honeywell, that are under-resourced relative to IBM and AT&T, which they are competing against. They are saying, 'Look, none of us is strong enough financially to stand up to the Japanese or IBM by ourselves.'"

Computer, Chip Makers Discuss Cooperation

By Thomas W. Lippman
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Canada Oil Firms Cool on Aid Plan

By Henry Giniger
New York Times Service

OTTAWA — Canada's oil and gas industry has reacted with skepticism to a federal tax relief package designed to revive lagging investment and exploration activity.

Energy Minister Marc Lalonde, who announced the tax concessions on Monday, told a news conference Tuesday that the 2-billion Canadian-dollar (\$1.6-billion) package represented "a significant push for industry" when combined with a 5.4-billion-dollar royalty reduction announced by Alberta last month.

Mr. Lalonde, who was forced to defend his national energy program in the House of Commons Monday against charges by opposition members that it was a "disaster," said the new measures were designed to help smaller companies that needed it most.

In addition to providing a one-percentage point reduction for 12 months in the effective rate of the oil and gas revenue tax, to 11 percent of gross revenues, the package provides an annual tax credit of 250,000 dollars for each company or group of companies participating in a project.

Help for Firms Seen
That means that hundreds of small companies would effectively be exonerated from all federal taxes, Mr. Lalonde said, a development that would make the companies "attractive investment vehicles."

But James Deacey, a spokesman in Ottawa for the Canadian Petroleum Association, which represents most of the industry here, said Tuesday that the preliminary feeling in the industry was that the tax credit might keep small companies from closing their doors but "it is not going to get any holes drilled."

Robert Landry, a vice president of Imperial Oil, an Exxon subsidiary that is Canada's biggest oil concern, said in a telephone interview that he welcomed the adjustments but that "it is very hard to assess the overall benefits."

The several hundred smaller companies that are the primary beneficiaries of the program "may use their tax breaks to pay off debts before they engage in new activity," he said.

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Ulric Weil, an analyst with Morgan Stanley, said that Control Data "is part of a group of companies, including Sperry Univac and Honeywell, that are under-resourced relative to IBM and AT&T, which they are competing against. They are saying, 'Look, none of us is strong enough financially to stand up to the Japanese or IBM by ourselves.'"

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Italians Strike Over Issue of Indexed Wage

The Associated Press

MILAN — Hundreds of thousands of strikers marched in several Italian cities Wednesday to the decision of the private manufacturers confederation, Confindustria, to cancel a 1975 agreement on wage indexation.

The system of wage indexation provides for automatic wage increases based on rises in the cost of living. The government has called it a major factor in Italy's double-digit inflation.

Private manufacturers have contended that the indexation causes sharp increases in production costs.

Confindustria's chairman, Vittorio Merloni, said a new system will be negotiated. "We are not seeking a cut in purchasing power of workers," he said.

The decision affects 2.58 million workers out of an industrial work force of 7 million and a total work force of 20 million.

The unilateral decision Tuesday made relations between unions and manufacturers extremely tense on the eve of negotiations for work contracts. There were stoppages as soon as it was announced.

Italy's largest private industries, such as the Fiat auto company and the Pirelli rubber group, were hit by four-hour stoppages per shift. Fiat officials in Turin said about 50 percent of workers joined the walkout.

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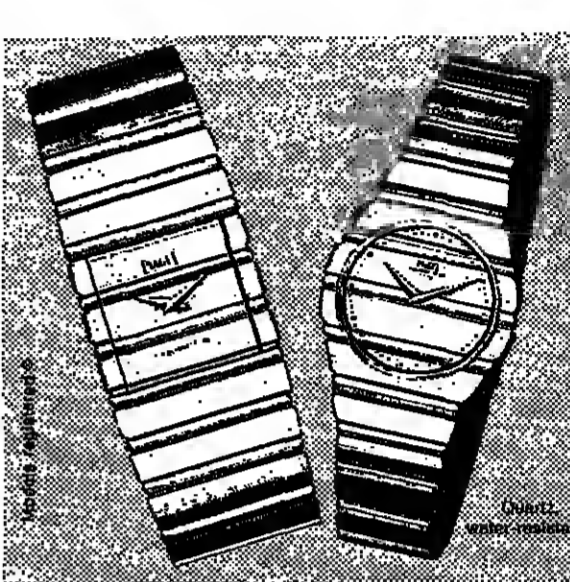
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Swiss May Ease Rules on Capital Markets

By Lucian Caspar
Reuters

ZURICH — The Swiss National Bank is likely to ease capital market rules soon, banking sources here said Wednesday.

One major change could be the lifting of a clause that requires foreign banks, central banks and governments to hold privately placed Swiss franc notes until maturity, they said.

Minor changes may affect syndicated loans and public bonds as well, the sources added.

A national bank spokesman said talks with commercial banks are complete, and that the new rules will be published later this summer after the governing board has made them final. He declined to comment on details.

Foreign central banks are major holders of privately placed Swiss franc notes, which are sold in minimum amounts of 50,000 francs (\$24,750), banking sources said.

They added that while most foreign central banks have little interest in selling Swiss franc notes prior to maturity, the restriction has had a psychological effect, hampering demand for the notes.

Other restrictions on secondary market trading of privately placed notes may also be eased, the sources added. Since August 1980, secondary market trading has been permitted only to a limited degree, they noted.

Swiss nationals and private foreign investors may buy seasoned notes but a secondary market among banks hardly exists, because of a clause restricting trading of notes to member banks of the issuing syndicate.

The national bank, in talks with banking representatives, seemed willing to create a virtually free market among Swiss banks by lifting this clause, the sources said.

Rules unlikely to be changed are a clause barring foreign banks from participating in note-issue syndicates, a clause requiring banks to keep the notes they have sold in their own safes, and a clause requiring banks to give the national bank prior notice if a note issue is to be placed predominantly with foreign central banks or governments, the sources said.

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Chicago Futures

WHEAT	Open	High	Low	Settle	Chg.
July	3.95	3.98	3.97	3.97 1/2	+0.01
Aug.	3.92	3.95	3.94	3.94 1/2	+0.01
Sept.	3.88	3.91	3.90	3.90 1/2	+0.01
Oct.	3.85	3.88	3.87	3.87 1/2	+0.01
Nov.	3.82	3.85	3.84	3.84 1/2	+0.01
Dec.	3.78	3.81	3.80	3.80 1/2	+0.01
Jan.	3.75	3.78	3.77	3.77 1/2	+0.01
Feb.	3.72	3.75	3.74	3.74 1/2	+0.01
Mar.	3.68	3.71	3.70	3.70 1/2	+0.01
Apr.	3.65	3.68	3.67	3.67 1/2	+0.01
May	3.62	3.65	3.64	3.64 1/2	+0.01
June	3.58	3.61	3.60	3.60 1/2	+0.01
July	3.55	3.58	3.57	3.57 1/2	+0.01
Aug.	3.52	3.55	3.54	3.54 1/2	+0.01
Sept.	3.48	3.51	3.50	3.50 1/2	+0.01
Oct.	3.45	3.48	3.47	3.47 1/2	+0.01
Nov.	3.42	3.45	3.44	3.44 1/2	+0.01
Dec.	3.38	3.41	3.40	3.40 1/2	+0.01
Jan.	3.35	3.38	3.37	3.37 1/2	+0.01
Feb.	3.32	3.35	3.34	3.34 1/2	+0.01
Mar.	3.28	3.31	3.30	3.30 1/2	+0.01
Apr.	3.25	3.28	3.27	3.27 1/2	+0.01
May	3.22	3.25	3.24	3.24 1/2	+0.01
June	3.18	3.21	3.20	3.20 1/2	+0.01
July	3.15	3.18	3.17	3.17 1/2	+0.01
Aug.	3.12	3.15	3.14	3.14 1/2	+0.01
Sept.	3.08	3.11	3.10	3.10 1/2	+0.01
Oct.	3.05	3.08	3.07	3.07 1/2	+0.01
Nov.	3.02	3.05	3.04	3.04 1/2	+0.01
Dec.	2.98	3.01	3.00	3.00 1/2	+0.01
Jan.	2.95	2.98	2.97	2.97 1/2	+0.01
Feb.	2.92	2.95	2.94	2.94 1/2	+0.01
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June	2.38	2.41	2.40	2.40 1/2	+0.01
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June	0.00	0.03	0.02	0.02 1/2	+0.01

U.S. COMMODITY PRICES

Open	High	Low	Settle	Chg.
July	1.15	1.18	1.17 1/2	+0.01
Aug.	1.12	1.15	1.14 1/2	+0.01
Sept.	1.08	1.11	1.10 1/2	+0.01
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July	1.15	1.18	1.17 1/2	+0.01
Aug.	1.12	1.15	1.14 1/2	+0.01
Sept.	1.08	1.11	1.10 1/2	+0.01
Oct.	1.05	1.08	1.07 1/2	+0.01
Nov.	1.02	1.05	1.04 1/2	+0.01
Dec.	0.98	1.01	1.00 1/2	+0.01
Jan.	0.95	0.98	0.97 1/2	+0.01
Feb.	0.92	0.95	0.94 1/2	+0.01
Mar.	0.88	0.91	0.90 1/2	+0.01
Apr.	0.85	0.88	0.87 1/2	+0.01
May	0.82	0.85	0.84 1/2	+0.01
June	0.78	0.81	0.80 1/2	+0.01
July	0.75	0.78	0.77 1/2	+0.01
Aug.	0.72	0.75	0.74 1/2	+0.01
Sept.	0.68	0.71	0.70 1/2	+0.01
Oct.	0.65	0.68	0.67 1/2	+0.01
Nov.	0.62	0.65	0.64 1/2	+0.01
Dec.	0.58	0.61	0.60 1/2	+0.01
Jan.	0.55	0.58	0.57 1/2	+0.01
Feb.	0.52	0.55	0.54 1/2	+0.01
Mar.	0.48	0.51	0.50 1/2	+0.01
Apr.	0.45	0.48	0.47 1/2	+0.01
May	0.42	0.45	0.44 1/2	+0.01
June	0.38	0.41	0.40 1/2	+0.01
July	0.35	0.38	0.37 1/2	+0.01
Aug.	0.32	0.35	0.34 1/2	+0.01
Sept.	0.28	0.31	0.30 1/2	+0.01
Oct.	0.25	0.28	0.27 1/2	+0.01
Nov.	0.22	0.25	0.24 1/2	+0.01
Dec.	0.18	0.21	0.20 1/2	+0.01
Jan.	0.15	0.18	0.17 1/2	+0.01
Feb.	0.12	0.15	0.14 1/2	+0.01
Mar.	0.08	0.11	0.10 1/2	+0.01
Apr.	0.05	0.08	0.07 1/2	+0.01
May	0.02	0.05	0.04 1/2	+0.01
June	0.00	0.03	0.02 1/2	+0.01

Open	High	Low	Settle	Chg.
July	1.15	1.18	1.17 1/2	+0.01
Aug.	1.12	1.15	1.14 1/2	+0.01
Sept.	1.08	1.11	1.10 1/2	+0.01
Oct.	1.05	1.08	1.07 1/2	+0.01
Nov.	1.02	1.05	1.04 1/2	+0.01
Dec.	0.98	1.01	1.00 1/2	+0.01
Jan.	0.95	0.98	0.97 1/2	+0.01
Feb.	0.92	0.95	0.94 1/2	+0.01
Mar.	0.88	0.91	0.90 1/2	+0.01
Apr.	0.85	0.88	0.87 1/2	+0.01
May	0.82	0.85	0.84 1/2	+0.01
June	0.78	0.81	0.80 1/2	+0.01
July	0.75	0.78	0.77 1/2	+0.01
Aug.	0.72	0.75	0.74 1/2	+0.01
Sept.	0.68	0.71	0.70 1/2	+0.01
Oct.	0.65	0.68	0.67 1/2	+0.01
Nov.	0.62	0.65	0.64	

Tables include the nationwide prices up to the closing on Wall Street.

[illegible]

Closing prices, June 1

Eurocurrency Interest Rates June 1988

June:

Value in Conversion costs entered on 1/1	C	P	S	M	L		High Low Close Ch'ge

High Low Close Ch'ge

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Highlights from the Balance Sheet as at December 31, 1981

We shall be pleased to send you on request a copy of the Annual Report for 1981 together with a summary of Kreditanstalt's activities.

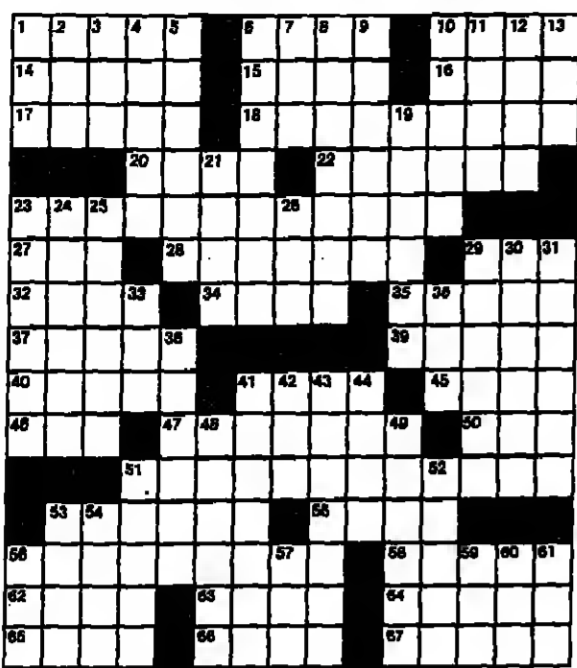
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KfW für Wiederaufbau
Palmengartenstr. 5-9, Postfach 111141
D-6000 Frankfurt am Main 11
Tel.: 6 11/7 43 10, Telex: 4 11352

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CROSSWORD

Edited by Eugene T. Malachuk



- ACROSS**
- 1 Scipio's habitat
6 Prolific author
10 Painter
14 Instrument for Stern
18 Third word of "The Aeneid"
16 Cashab sight
17 Artia, for one
18 The Yankees often in the 20's
20 Journey for Juvenal
22 Most miffed
23 Clouding quarters in Yankee annals
27 Exist
28 Cheerful songs
29 Lawyers' org.
32 Soft leather
34 So-so grades
35 Del of baseball fame
37 Soper's dope
39 Do a double take
40 Wild grapevine
41 Piec fruit
45 Purrin month
46 "Jacta alea"
47 "I'll Trowators"
50 Leandra's amorosa
51 Duo in 23
52 Across
53 On that account
- DOWN**
- 1 Chart
2 Ceremonial cup
3 Tatter
4 Far from flighty
5 Intimated
6 Grow together
7 Yash's antithesis
8 Big name in shipping
9 Ruak's "Poor Miller's"
10 from the bridge
11 Delibes and Durocher
12 Basil, e.g.
13 Simmons and Kaline
14 Tackles halder
21 Skater's
23 Famed Yankee slugger
24 Arrow poisons
25 "Water... after me..."
26 Is one
28 Goldsmith
30 Tummy settler
31 Nine in Texas
32 Abe's first love
36 Org. supporting opera, etc.
38 Debussy's "Clair"
41 Suck together
42 Stop—dime
43 External worlds, in metaphysics
44 Waggoner earth goddess
48 Emulated Dürer
49 Up and doing
51 Reagan appointee
52 Gamble
53 Yankees took in 1900
54 Band leader
56 "Diamond"

WEATHER

	HIGH	LOW		HIGH	LOW
ALABAMA	72	64	MISSISSIPPI	72	64
ALASKA	72	64	MINNESOTA	72	64
ARIZONA	72	64	MISSOURI	72	64
ARKANSAS	72	64	MONTANA	72	64
CALIFORNIA	72	64	NEBRASKA	72	64
COLORADO	72	64	NEVADA	72	64
CONNECTICUT	72	64	NEW HAMPSHIRE	72	64
DELAWARE	72	64	NEW JERSEY	72	64
FLORIDA	72	64	NEW MEXICO	72	64
GEORGIA	72	64	NEW YORK	72	64
ILLINOIS	72	64	NORTH CAROLINA	72	64
INDIANA	72	64	NORTH DAKOTA	72	64
IOWA	72	64	OHIO	72	64
KANSAS	72	64	OKLAHOMA	72	64
KENTUCKY	72	64	OREGON	72	64
LOUISIANA	72	64	PENNSYLVANIA	72	64
MAINE	72	64	RHODE ISLAND	72	64
MARYLAND	72	64	SOUTH CAROLINA	72	64
MASSACHUSETTS	72	64	SOUTH DAKOTA	72	64
MICHIGAN	72	64	TENNESSEE	72	64
MINNESOTA	72	64	TEXAS	72	64
MISSISSIPPI	72	64	UTAH	72	64
MISSOURI	72	64	VERMONT	72	64
MONTANA	72	64	VIRGINIA	72	64
NEBRASKA	72	64	WASHINGTON	72	64
NEVADA	72	64	WEST VIRGINIA	72	64
NEW HAMPSHIRE	72	64	WISCONSIN	72	64
NEW JERSEY	72	64	WYOMING	72	64
NEW MEXICO	72	64			
NEW YORK	72	64			
NORTH CAROLINA	72	64			
NORTH DAKOTA	72	64			
OHIO	72	64			
OKLAHOMA	72	64			
OREGON	72	64			
PENNSYLVANIA	72	64			
RHODE ISLAND	72	64			
SOUTH CAROLINA	72	64			
SOUTH DAKOTA	72	64			
TENNESSEE	72	64			
TEXAS	72	64			
UTAH	72	64			
VERMONT	72	64			
VIRGINIA	72	64			
WASHINGTON	72	64			
WEST VIRGINIA	72	64			
WISCONSIN	72	64			
WYOMING	72	64			

Readings from the previous 24 hours.

ADVERTISEMENT
INTERNATIONAL FUNDS

June 2, 1982

BANK JULIUS BAER & CO. Ltd.		UNION BANK OF SWITZERLAND	
(1) Swiss Franc	SP 29.25	(1) Swiss Franc	SP 29.25
(2) German Mark	SP 29.25	(2) German Mark	SP 29.25
(3) French Franc	SP 29.25	(3) French Franc	SP 29.25
(4) Italian Lira	SP 29.25	(4) Italian Lira	SP 29.25
(5) Dutch Guilder	SP 29.25	(5) Dutch Guilder	SP 29.25
(6) Belgian Franc	SP 29.25	(6) Belgian Franc	SP 29.25
(7) Spanish Peseta	SP 29.25	(7) Spanish Peseta	SP 29.25
(8) Portuguese Escudo	SP 29.25	(8) Portuguese Escudo	SP 29.25
(9) Greek Drachma	SP 29.25	(9) Greek Drachma	SP 29.25
(10) Turkish Lira	SP 29.25	(10) Turkish Lira	SP 29.25
(11) Egyptian Pound	SP 29.25	(11) Egyptian Pound	SP 29.25
(12) Indian Rupee	SP 29.25	(12) Indian Rupee	SP 29.25
(13) Japanese Yen	SP 29.25	(13) Japanese Yen	SP 29.25
(14) Australian Dollar	SP 29.25	(14) Australian Dollar	SP 29.25
(15) New Zealand Dollar	SP 29.25	(15) New Zealand Dollar	SP 29.25
(16) Canadian Dollar	SP 29.25	(16) Canadian Dollar	SP 29.25
(17) Mexican Peso	SP 29.25	(17) Mexican Peso	SP 29.25
(18) Argentine Peso	SP 29.25	(18) Argentine Peso	SP 29.25
(19) Chilean Peso	SP 29.25	(19) Chilean Peso	SP 29.25
(20) Colombian Peso	SP 29.25	(20) Colombian Peso	SP 29.25
(21) Costa Rican Colon	SP 29.25	(21) Costa Rican Colon	SP 29.25
(22) Cuban Peso	SP 29.25	(22) Cuban Peso	SP 29.25
(23) Dominican Peso	SP 29.25	(23) Dominican Peso	SP 29.25
(24) Ecuadorian Dollar	SP 29.25	(24) Ecuadorian Dollar	SP 29.25
(25) Honduran Lempira	SP 29.25	(25) Honduran Lempira	SP 29.25
(26) Nicaraguan Cordoba	SP 29.25	(26) Nicaraguan Cordoba	SP 29.25
(27) Panamanian Balboa	SP 29.25	(27) Panamanian Balboa	SP 29.25
(28) Paraguayan Guaraní	SP 29.25	(28) Paraguayan Guaraní	SP 29.25
(29) Peruvian Sol	SP 29.25	(29) Peruvian Sol	SP 29.25
(30) Salvadoran Colon	SP 29.25	(30) Salvadoran Colon	SP 29.25
(31) Uruguayan Peso	SP 29.25	(31) Uruguayan Peso	SP 29.25
(32) Venezuelan Bolívar	SP 29.25	(32) Venezuelan Bolívar	SP 29.25
(33) Zambian Kwacha	SP 29.25	(33) Zambian Kwacha	SP 29.25
(34) Zimbabwean Dollar	SP 29.25	(34) Zimbabwean Dollar	SP 29.25
(35) Botswana Pula	SP 29.25	(35) Botswana Pula	SP 29.25
(36) Lesotho Loti	SP 29.25	(36) Lesotho Loti	SP 29.25
(37) Malawi Kwacha	SP 29.25	(37) Malawi Kwacha	SP 29.25
(38) Mauritius Rupee	SP 29.25	(38) Mauritius Rupee	SP 29.25
(39) Mozambique Escudo	SP 29.25	(39) Mozambique Escudo	SP 29.25
(40) Namibia Dollar	SP 29.25	(40) Namibia Dollar	SP 29.25
(41) Niger CFA Franc	SP 29.25	(41) Niger CFA Franc	SP 29.25
(42) Senegal CFA Franc	SP 29.25	(42) Senegal CFA Franc	SP 29.25
(43) Sierra Leone Leone	SP 29.25	(43) Sierra Leone Leone	SP 29.25
(44) Somalia Shilling	SP 29.25	(44) Somalia Shilling	SP 29.25
(45) South Africa Rand	SP 29.25	(45) South Africa Rand	SP 29.25
(46) Sudanese Pound	SP 29.25	(46) Sudanese Pound	SP 29.25
(47) Swaziland Lilangeni	SP 29.25	(47) Swaziland Lilangeni	SP 29.25
(48) Tanzania Shilling	SP 29.25	(48) Tanzania Shilling	SP 29.25
(49) Uganda Shilling	SP 29.25	(49) Uganda Shilling	SP 29.25
(50) Zaire Zaire	SP 29.25	(50) Zaire Zaire	SP 29.25

PEANUTS



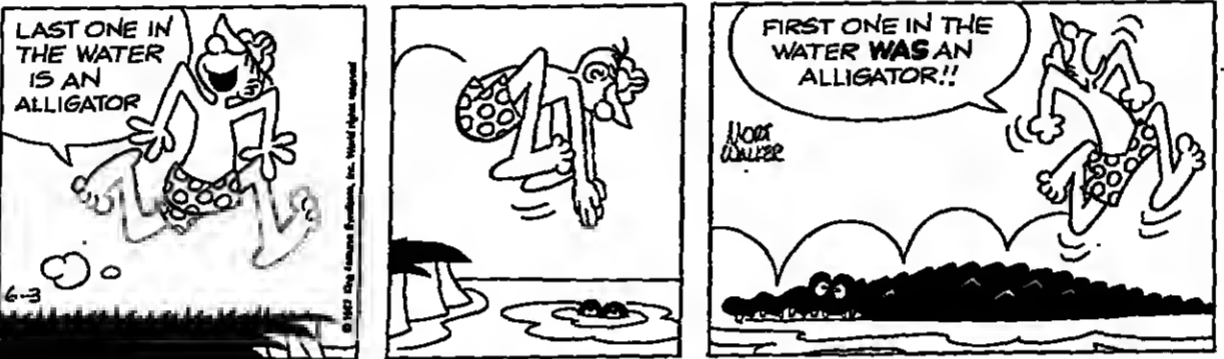
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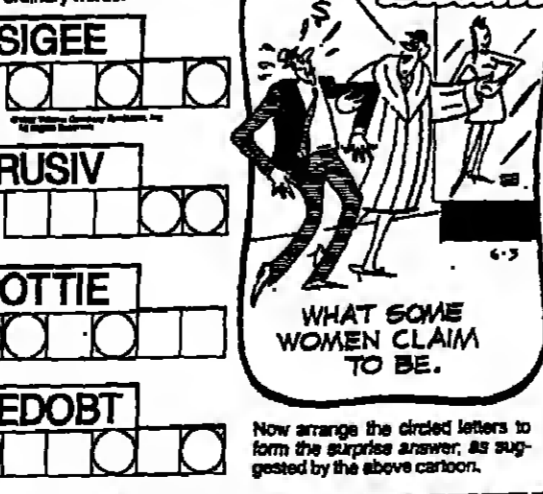


DONESBURY



JUMBLE

Uncramble these four Jumbles, one letter to each square, to form four ordinary words.



Answer: "SIGEE, RUSIV, POTTIE, REDOBT"

Yesterday's Jumble: BLOOD GLOAT PELVIS HAIRDO
Answer: The world's biggest hold-up man—ATLAS

Imprimé par P.I.O. - 1, Boulevard Ney 75018 Paris

DENNIS THE MENACE



"WE WERE PRACTICING FIRST AID, BUT JOEY BLEED TO DEATH AND WENT HOME."

BOOKS

FRONT PAGE MARRIAGE.

By Thom Robbins. 224 pp. \$12.95.

G. P. Putnam's Sons, 200 Madison Avenue, New York, N.Y. 10016.

Reviewed by Susan Dooley

GOOD marriages are made in heaven; books about them often are not. In 1928, Charles MacArthur, newspaperman and playwright, married Helen Hayes, whose acting ability had been acclaimed by critics since she was in her teens. He was a wit and a womanizer, with a fondness for the bottle and a wife back in Chicago. At 26, she was a shy, unworried Roman Catholic who still lived with her mother and epitomized the dictum that "a woman was not supposed to know she was a virgin until she ceased to be one."

They met at a party and for her it was love at first sight. In an oft-told anecdote, he charmed her by pouring peanuts into her hands, murmuring, "I wish they were emeralds." If he was similarly struck down by love, he managed to pick himself up and go on. Almost six months elapsed before he made another attempt to see her. When they began to date, their friends predicted disaster. Alexander Woolcott took Helen to dinner to tell her, "Helen, you can't possibly win. To him you're just a pretty little stage-door fling!" The Roman Catholic bishop warned her she would be excommunicated if she married a divorced man, as MacArthur was by this time. MacArthur's preacher father called her a sinner and announced that "No son of mine will ever marry an actress," which he mother consoled her with the thought that "a week after the honeymoon he'll leave you for another woman."

The marriage lasted 28 years, troubled, though it must have been by his drinking and her time on the road and the death of a much-loved daughter.

And yet, unlike Nigel Nicholson's "Portrait of a Marriage" which told how love had enabled two very unconventional people to make accommodations to each other and build a lasting marriage, "Front Page Marriage" lives up to its journalistic title. It is a collection of aged anecdotes culled from newspapers, magazines and the biographies of contemporaries, larded with examples of wit, which like many a wife has not traveled well. It never touches on what makes a good marriage or why two such very different people were able to twine their lives together and survive not only the bad times but the ones that were too good, too full of wine, women and song.

We must take it on faith that Charlie MacArthur was a very special person; on faith and on the testimony of his wife and friends who speak of his charm, his tolerance, his wit and his gaiety.

But what we are given is a man who once put gelatin in a toilet bowl, adding boiling water so that it would melt and eventually set, who squirted orange juice through a peephole into the eye of a censorious bouncer. Ah, those madcap days and crazy nights! Perhaps you had to have been there and perhaps, having been there, you had to be drunk, since so many of the stories reek of fraternity boys on a bender.

Take the following, about how Groucho Marx had gathered the film world's intellectuals to his side in California's version of the Algonquin Round Table:

"At the first few luncheons that MacArthur attended he was very quiet. Then he introduced a secret handshake, which endeared him to Marx: Left hand under right knee; then grab your fellow member's hand firmly and squeeze three times. But that was peanuts compared to the

other ideas he hatched at our table," recalled Groucho. "If I live to be 115, I'm sure I'll never see such brilliance again!"

Or this, a long running ceremonial with the town druggist:

Druggist: How are things going?

Charlie: For one thing they're putting more brown paper in the Bull Durham all the time.

Druggist: I'm afraid that's a sign of our times. What can I get for you?

Charlie: I'd like 5 cents of your best liniment.

Druggist: Got a sore back?

Charlie: Not my back. It's for a cantankerous mule.

Druggist: Didn't know you had a mule.

Charlie: Got one all right. Know what he says? There's no mule like an old mule!

"The druggist" and the other shopkeepers agreed that Charlie was "truly a card."

Such anecdotes, either incomprehensible or lame with age and weary from too many trips around the track, do no service to the man MacArthur was a man of gifts if not of greatness and he remains elusive in ways that Helen Hayes does not. She is, after all, a first lady of the theater, a woman of talent and character who is well known to millions.

When asked what she would do today if she had to start a career and a family, she said, "I guess I would do just as I did before. I would decide on what really mattered to me and fight for it all the way."

Perhaps it is such simplicity that makes a marriage work. "Front Page Marriage" doesn't tell.

Susan Dooley is on the staff of The Washington Post.

Americans Called Weak In Geography

New York Times Service

NEW YORK — The level of geographical literacy in the United States has been found "appalling" by a federal study, according to a recent report by a panel of educators.

The 24-page report, issued by the Washington-based Association of American Geographers, a professional organization, said the skills and tools of geography, as a subject of instruction and a research discipline, were essential "for portraying and explaining the world in which we live."

The report, titled "Geography and International Knowledge," was prompted in part by recent surveys in American schools and colleges suggesting widespread ignorance among young people about other nations, their languages and their cultures. The report referred in particular to a 1980 survey conducted by the Educational Testing Service of Princeton, N.J., as part of a federal-funded study of the level of global awareness among college students.

The survey, which covered 3,000 students at 185 colleges and universities in the United States, disclosed that 60 percent of the student sample, composed equally of two-year college students and of freshmen and seniors in four-year institutions, had taken no courses in college geography.

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"The druggist" and the other shopkeepers agreed that Charlie was "truly a card."

BRIDGE

By Alan Truscott

NORTH and South quickly resolved three no-trump as shown on the diagramed deal, after West had opened one heart.

A heart lead would have made matters easier for the declarer, but West decided, rightly, that South was well prepared for that lead. Instead, he led the space deuce, striking pay dirt in the form of five-card links in his partner's hand.

When dummy played a low spade, East routinely played the ten, following the old whist rule of "third hand high." South won with the queen and led a low club to dummy's queen, giving himself a chance to score four club tricks if all the missing cards were in the East hand. Clearly the situation was hopeless if West held all the clubs.

East captured the club queen with the ace and returned the spade four. This was the original fourth-best, and the right theoretical card, but West missed his opportunity. Instead of unblocking the nine he played the six. The last spade in the East hand was now useless, and South eventually scored his ninth and game-winning trick in hearts.

Both defenders had fallen into traps that experts would avoid. East should have realized that the ten was the worst possible play at the first trick. Since the declarer could be expected to have a doubleton, including at least one honor, the ten could do no good and was likely to make it difficult for

East to win the fourth round of the suit, which was clearly important. The right play for East was the seven or even the nine.

West in his turn should have worked out the need to unblock. He should have asked himself what he had happened to the three spot. If South held it he would not squander his jack under the ace. Indeed that play made it clear that South had begun with a doubleton, and that it was vital to preserve the defensive line of communication in the suit.

Neither side was vulnerable. The bidding:

West North East South
10 20 Pass 3NT
Pass Pass Pass Pass

West led the spade two.

SPORTS

Connors Is Beaten,
Vilas Defeats NoahBy Nick Strout
New York Times Service

PARIS — José Higueras, a 29-year-old Spaniard whose bout with hepatitis two years ago left him so weak he was hospitalized for 10 days, won his first professional tennis match in 1979, when he won the French Open tennis championships.

Higueras advanced to the semi-finals, where he will play Guillermo Vilas, the fourth-seeded Argentine who defeated Yannick Noah of France, 7-6, 6-3, 6-4. The winner will meet either José Luis Clerc or Mats Wilander in Sunday's final.

Higueras demonstrated the classic clay-court game that earned him his first title in 1979, when he won the French Open tennis championships. He refused to let Connors lure him to the net — almost always returning accurate passing shots and then carrying back to the baseline.

Connors gave up trying to volley — because Higueras was beating him with blazingly accurate passing shots, many seeming to land only inches inbounds.

The lopsided score betrayed the amount of on-court work. "I didn't think it was an easy match at all," said Higueras, who beat Connors last year at North Conway, N.H. "I was running a lot."

Connors agreed. "We were close to defeat in a lot of games. I just couldn't put two or three points together."

Festive on Clay

In losing, Connors failed for the second straight year to make the semifinals at Roland Garros Stadium. An American male has not won the French Open since 1955; it remains the only Grand Slam event to have eluded Connors.

Connors was the only American left in the men's half, and his loss prompted questions about whether Americans, with their limited opportunities on clay, would ever be able to master such courts in an era when the world is producing specialists on them.

Connors said the ideal preparation for the French Open would be four or five months of playing on European clay. "But," he said, "I just can't do that at this point in my career."

"When I missed those five years I was absent from the French Open from 1974 to 1978. I probably could have. But I don't have it left in me."

He was quick to add that "there aren't many guys, though, who can beat me on clay. I don't see why an American can't win here. If I didn't think I could win, I wouldn't play here."

Higueras played to Connors' erratic forehand — a successful tactic, since the ball frequently was returned into the net. "I'm in very good condition," said Higueras, who won a tournament in Hamburg last month. "I've played a lot of matches lately."

He'll Need It

His illness left him 10 pounds lighter and was largely responsible for his slump in 1980. Higueras said he felt cramped in his legs during a first-round match last year in Madrid and that he thought then that if he didn't begin to feel healthy soon he would quit after another year or two.

Higueras will need all the conditioning he can get to beat Vilas, who has won five tournaments in 1981.

QB Haden Retires
From NFL Rams

ANAHEIM, Calif. — Quarterback Pat Haden announced his retirement Tuesday from the Los Angeles Rams of the National Football League. The Rams, who recently obtained quarterback Bert Jones from the Baltimore Colts, said Haden plans to become a television commentator.

After joining the team in 1976, Haden survived challenges from James Harris, Joe Namath, Vince Ferragamo and others for the Rams' No. 1 quarterback job. Los Angeles was 35-18-1 with Haden as a starter; he threw for 52 touchdowns in his career, completed 731 of 1,363 passes and intercepted only 60. He was voted to the Pro Bowl in 1977.

Haden was the starting quarterback for the University of Southern California in three Rose Bowl games, including a 1975 triumph over Ohio State when he threw for the winning touchdown and a two-point conversion in the waning seconds. Haden is a Rhodes Scholar and a law-school graduate.

Transactions

BASEBALL
ATLANTA — Placed Terry Horner, outfielder, on the 21-day disabled list. Recalled first baseman, from Richmond of the International League.

CHICAGO — Signed Jay Johnstone, outfielder, to a one-year contract. Signed pitcher, from Richmond of the International League.

ST. LOUIS — Recalled Rick Steffen, pitcher, from the Memphis Redbirds of the International League. Recalled pitcher, from the Memphis Redbirds of the International League.

CALGARY — Signed Bob Johnson, head coach, to a three-year contract. Signed pitcher, from the Memphis Redbirds of the International League.

COLORADO — Announced the resignations of Chuck Fairbanks, head football coach, and Jim Hickey, director of development. Named, Ed Staley, director of development.

1982 — and who subdued Noah with sheer force.

"His ball was very, very heavy," said Noah of Vilas' shots. "It was hard to control."

"Last year, he was going back to the baseline. Now, he's coming in and passing more. And he has one of the best overhead smashes in the world."

Asked what it would take to beat Vilas, the stunned Noah said: "You have to get the ball back a hundred times a point. You have to have a good serve and also a good volley, because Vilas has very good passing shots."

The women's finalists will be determined Thursday, when Chris Evert Lloyd will Andrea Jaeger and Martina Navratilova will meet Hana Mandlikova.

The Men's International Professional Tennis Council canceled the \$2,250 in fines levied last week against Vilas Gerulaitis for on-court obscenities. An MITPC statement issued Wednesday said that Gerulaitis had not intended any obscenity when he twice twisted his racket on an extended third finger and walked around with a tennis ball between his thighs.

Connors gave up trying to volley — because Higueras was beating him with blazingly accurate passing shots, many seeming to land only inches inbounds.

The lopsided score betrayed the amount of on-court work. "I didn't think it was an easy match at all," said Higueras, who beat Connors last year at North Conway, N.H. "I was running a lot."

Connors agreed. "We were close to defeat in a lot of games. I just couldn't put two or three points together."

In losing, Connors failed for the second straight year to make the semifinals at Roland Garros Stadium. An American male has not won the French Open since 1955; it remains the only Grand Slam event to have eluded Connors.

Connors was the only American left in the men's half, and his loss prompted questions about whether Americans, with their limited opportunities on clay, would ever be able to master such courts in an era when the world is producing specialists on them.

Connors said the ideal preparation for the French Open would be four or five months of playing on European clay. "But," he said, "I just can't do that at this point in my career."

"When I missed those five years I was absent from the French Open from 1974 to 1978. I probably could have. But I don't have it left in me."

He was quick to add that "there aren't many guys, though, who can beat me on clay. I don't see why an American can't win here. If I didn't think I could win, I wouldn't play here."

Higueras played to Connors' erratic forehand — a successful tactic, since the ball frequently was returned into the net. "I'm in very good condition," said Higueras, who won a tournament in Hamburg last month. "I've played a lot of matches lately."

His illness left him 10 pounds lighter and was largely responsible for his slump in 1980. Higueras said he felt cramped in his legs during a first-round match last year in Madrid and that he thought then that if he didn't begin to feel healthy soon he would quit after another year or two.

Higueras will need all the conditioning he can get to beat Vilas, who has won five tournaments in 1981.

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José Higueras

After a 6-2, 6-2, 6-2 victory: 'I'm in very good condition.'

Lakers Never Headed in 129-108 Romp

By David DuPree
Washington Post Service

INGLEWOOD, Calif. — The Los Angeles Lakers had their winning game working again Tuesday night, and the Philadelphia 76ers couldn't keep up. They didn't come close.

Led by Norm Nixon's 29 points and a dour defense, Los Angeles took an early lead and seldom let up. Their 129-108 victory here gave the Lakers a 2-1 lead in

NBA FINALS

the best-of-seven National Basketball Association championship series.

Nixon is the Lakers' catalyst. As they swept a record nine straight games in the playoffs, he led the team with a 22-point average. When the Lakers lost their first game in 46 days on Sunday, he scored 35. Tuesday, as Los Angeles improved its playoff record to 10-1, he also had six assists and three steals.

"I think if I don't have a good night scoring, I hurt the team," Nixon said after making eight of 10 second-half shots. "So I went out from the gun and tried to score."

Said Maurice Cheeks, the 76er guard who tried to guard Nixon:

"He just got his shots going, and once they started falling there was no way to stop him."

The Lakers dominated so totally it hardly mattered that center Kareem Abdul-Jabbar went to the bench late in the first quarter with three personal fouls and didn't play the final 14 minutes of the opening half.

After Philadelphia shot 24 percent in the first quarter, the Lakers had a 12-point lead. They maintained it at halftime and increased it to 23 in the first 34 minutes of the second half. Although the 76ers got 36 points from Andrew Toney, it was no contest after the first eight minutes.

The team that has won Game 3 has gone on to take 12 of the last 14 championships: the Lakers seemed quite aware of that statistic Tuesday. "We didn't play well except in some isolated spurts in the two games in Philadelphia," said Lakers Coach Pat Riley. "But tonight we put a whole game together."

Hitting the Boards

The 76ers won Sunday's Game 2 because, aside from Nixon's 3-for-14 floor shooting, they negated the Lakers' trapping defense and out-rebounded them. But the traps caused havoc for Philadelphia Tuesday, and the Lakers had a 48-

43 rebounding edge. "Our big guys said before the game that they were going to hit the boards hard," said Nixon, "and they went out and did it."

Riley made one adjustment with his matchups. He put his best rebounder, Ervin Johnson, on Julius Erving — to get Johnson closer to the basket. And Erving, who dominated Game 2 with 24 points and 14 rebounds, was outscored and out-rebounded. He finished with 21 points, but had only three rebounds and three assists. Johnson's figures, respectively, were 22, nine and eight.

With Johnson inside, that left Nixon outside to lead the fast break. He scored 12 of his points in the third quarter. Johnson, says Nixon, "has committed himself to rebounding more in the playoffs, and that gets me the ball more in the open court. And that's where I'm at my best."

Riley also made some minor adjustments in the Lakers' defense. "The traps are the key," he said. "If you play it right, the only way to beat it is with good outside shooting, and we feel they have only one really good outside shooter — Toney. We made him take those shots."

Los Angeles broke to a 6-0 lead and, after the 76ers tied the game at eight, the winners went on a 10-

2 tear. They never were threatened again.

With Abdul-Jabbar on the bench, Bob McAdoo scored 12 of his 14 points in the last 14 minutes of the first half. Ahead by 12, the Lakers began the second quarter with an 8-0 spurt. Nixon and Michael Cooper each getting two fast-break baskets. By then, the 76er offense was a two-man game — Toney and Erving combined for 21 of Philadelphia's 28 second-quarter points. Cooper's three-point shot at the buzzer gave the Lakers a 60-48 halftime lead.

Great Time

Los Angeles clinched the game in the first five minutes of the third period, outscoring Philadelphia, 17-4, for a 77-54 lead. The Lakers were stealing the ball, running and generally looking as if they were having a great time at the 76ers' expense.

Said losing coach Billy Cunningham: "I just thought they were a step quicker than we were in every respect. They played great basketball and got the ball to the right people."

"I know it's simplifying things, but we just didn't play well and we did. We've been in this position many times before in the playoffs, and we've always come back."

"We'll be back Thursday."

Tigers; 2-1 Victors Over Angels, Assume Divisional Lead

From Agency Dispatches
ANAHEIM, Calif. — Dan Petry pitched eight shutout innings to lead Detroit to a 2-1 victory over California here Tuesday night. The Tigers have won five of their last six and have moved into first place in the American League East, a half-game ahead of Boston.

Petry (5-3) was relieved by Dave Tobik in the ninth after Juan Beniquez walked and Bob Boone singled him to third. Tim Lincecum struck out and Rod Carew hit a run-scoring sacrifice fly — but pinch runner Rob Wilton, trying to advance to second on the play, was thrown out by center fielder Kirk Gibson to end the game.

The Tigers scored both their runs in the second off Ken Forsch (4-5). A single by Richie Hebner and Larry Herndon's double set up a run-scoring grounder by Lance Parrish and Lou Whitaker's RBI single.

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13th save as the Royals defeated Chicago, 4-3. Blue (3-3) had not pitched since May 15 because of a pulled leg muscle.

In Cleveland, reliever Ron Davis walked pinch hitter Karl Pagan with the bases loaded in the eighth to force home the go-ahead run.

In Oakland, Calif., Rickey Henderson's two-run, fifth-inning home run paced the A's to a 3-2 victory over Boston. Henderson also walked and stole two bases, giving him 51 steals in 51 games. With the Red Sox ahead, 2-1, Mike

Heath walked to lead off the fifth before Henderson hit his fifth homer of the year.

In the National League, in Chicago, Broderick Perkins drove in three runs with a triple and a single and Ruppert Jones hit a three-run homer to lead San Diego past the Cubs in a 9-1 luller. The Padres had four-run innings in the second and third.

In New York, Dale Murphy keyed a four-run first with his 15th

home run of the year, good for three runs, and Atlanta went on to down the Mets, 7-3. The losers' Randy Jones (6-4) failed to retire any of the six hitters he faced.

In Pittsburgh, Bill Madlock hit a two-run homer and John Candalaria and two relievers combined on a five-inning tie to help the Pirates beat Los Angeles, 3-1.

In Philadelphia, Mike Vail singled in one run and added a pair of doubles in support of Greg Harris' five-hit pitching, leading Cincinnati to a 4-1 victory over the Phillies.

In St. Louis, pinch hitter Jack Clark's run-scoring single with one out in the 11th scored Darrell Evans as San Francisco beat the Cardinals, 4-3. Reggie Smith led off the inning with a single off Jim Kaat (1-1), and pinch runner Dave Bergman moved to second on Evans' single. Bergman was forced at third on Milt May's attempted sacrifice. Clark, who was being rested with a sore Achilles tendon, greeted reliever Doug Bair with a single to center.

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